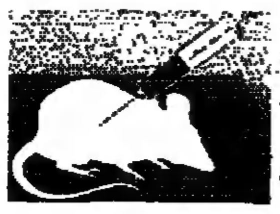
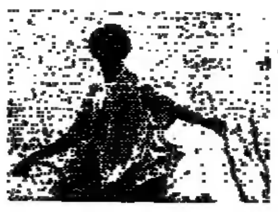
Making money again
UK banks put the lean years behind them
Page 19



Back on target
Antibody drugs return to favour
Page 16



Australian fires
Counting the cost in New South Wales
Page 4

TOMORROW'S
Weekend FT
The human race - who is the greatest person ever?

FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY JANUARY 14 1994

Strong orders fail to brighten Siemens outlook

Siemens, the broadly based electrical and electronics multinational, expected earnings to fall between 10 and 15 per cent in the current financial year, in spite of a strong flow of orders in the first quarter. Siemens-Nixdorf, which shed 5,000 workers last year, will be particularly affected by plans for some 10,000 group-wide job cuts in the current financial year. Page 21

Irish peace hopes hit: Britain has concluded that the odds are stacked heavily against an early end to the Irish Republican Army's 25-year campaign of violence in Northern Ireland. Its assessment is that the IRA's peace faction has failed to win over advocates of violence. Page 20

French seek rate cuts: The Patronat, the French employers' federation, called for further interest rate cuts, particularly for short-term loans, to help revive what it described as the country's stagnant economy. Page 20

Metals group gives ground: Metallgesellschaft, the stricken German metals, mining and industrial group, gave ground to creditor banks, relaxing its earlier uncompromising stance on refinancing proposals. Page 21

UK government suffers new blow:

Britain's Conservative government suffered another blow when a report alleged that Westminster City Council, a Tory-controlled London borough, had manipulated its housing policy in an attempt to rig an election. The report by Westminster's district auditor complained that £21.25m ($31.4m) was wasted. Six councillors and four council officials could be required to repay the money. They include Dame Shirley Porter (above), then leader of the council. Page 20

GTE cuts jobs: GTE, the largest local telecommunications company in the US, announced ... fourth quarter charges of $1.8bn, mainly ... a restructuring of its telephone operations and the loss of 17,000 jobs over the next three years. Page 21

LWT in talks: London Weekend Television is talking to a North American group which proposes to take a stake of just under 30 per cent in the company. Page 21

Murdoch for Hong Kong: Rupert Murdoch, chief executive of News Corporation, plans to move temporarily to Hong Kong next month to oversee a reorganisation of Star TV, his troubled Asian satellite television company. Page 21

Belgian scandal hits markets: Belgian deputy prime minister Guy Coëme hit back at allegations that he committed forgery as a widening political scandal took its toll of markets there. Page 2

Swiss banks object: Switzerland's private banks are balking at a government proposal obliging them to report any suspicion of money laundering by their clients. Page 3

Chazot to head Eurotunnel: Georges-Christian Chazot, a French industrialist, was confirmed as new group chief executive of Eurotunnel ahead of the launch of its cross-channel rail services, which will start in the spring. Page 22

Japan's fibre warning: Japan's synthetic fibre association may demand emergency import restrictions, its chairman warned. Page 5

Paramount backs QVC offer: The board of Paramount Communications recommended that shareholders reject a controversial $9.2bn offer for the entertainment company made by cable company Viacom and accept a rival $9.7bn offer from QVC Network. Page 23

Japanese reform boosted: The position of Japan's governing coalition in the battle for political reform was helped by a loyalty pledge from the Social Democratic party. Page 4

Egyptian police killed: Suspected Moslem militants shot dead three policemen at a traffic checkpoint south of Cairo.

Bear Stearns profits: Bear Stearns, the New York securities house, announced a 116 per cent jump in its second fiscal quarter profits to $134.8m, or $1.65 a share. Page 23

Amnesty accuses US: Amnesty International accuses the US of executing innocent and mentally ill people, in a report out today. Page 5

■ STOCK MARKET INDICES		
FT-SE 100:	3360.0	(-12.0)
Yield	3.51	
FT-SE Eurotrack 100	1458.82	(-15.26)
FT-SE-A All-Share	1673.12	(-0.2%)
Nikkei	18,577.26	(-216.62)
New York: lunchtime		
Dow Jones Ind Ave	3837.37	(-11.26)
S&P Composite	472.20	(-1.97)
■ US LUNCHTIME RATES		
Federal Funds:	2 15/16%	
3-mo Treas Bills: Yld	3.003%	
Long Bond	100 1/8	
Yield	6.233%	
■ LONDON MONEY		
3-mo Interbank	5 1/2%	(5 7/16%)
Liffe long gilt future:	Mar 118 3/8	(Mar 119 1/32)
■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$13.535	(13.665)
■ Gold		
New York Comex (Feb)	$388.6	(386.9)
London	$389.25	(386.2)

■ STERLING		
New York lunchtime:		
$	1.496	
London:		
$	1.496	(1.5013)
DM	2.6209	(2.6072)
FFr	8.8902	(8.8648)
SFr	2.2115	(2.2054)
Y	167.793	(168.769)
£ Index	82.9	(same)
■ DOLLAR		
New York lunchtime:		
DM	1.753	
FFr	5.94275	
SFr	1.48	
Y	111.75	
London:		
DM	1.752	(1.7366)
FFr	5.9429	(5.9048)
SFr	1.4783	(1.469)
Y	112.165	(112.415)
$ Index	67.8	(67.5)
Tokyo close Y 112.30		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk8.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Pso50	Syria	S£50.00
France	FFr8.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.600
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L10000
						UAE	Dh12.00

Clinton will urge IMF to release funds quickly to keep up pace of change

Yeltsin may step up reforms

By Jurek Martin and John Lloyd in Moscow

Bill Clinton (left, in fur cap) is greeted by crowds in Red Square during an unscheduled break in his talks yesterday with Boris Yeltsin

The process of Russia's economic reform will continue unabated and might even be stepped up, President Boris Yeltsin of Russia promised President Bill Clinton of the US in Moscow yesterday.

Reporting on the first session between the two leaders, their third meeting in the past nine months, Mr Warren Christopher, the US secretary of state, said Mr Yeltsin was clearly "undeterred" by the political turmoil in Russia. He said Mr Clinton had found his opposite number "confident" and "on top of his form".

Mr Lloyd Bentsen, the treasury secretary, highlighted what he described as "the real achievements" of the reform process – such as a reduction in the monthly rate of inflation from 30 per cent to 12 per cent, the trebling of real wages as measured in dollars, and the halving of the budget deficit as a percentage of national output.

Mr Clinton, under the slogan "more reform, more support", promised to press the International Monetary Fund and the World Bank to release funds "as rapidly as possible" to ensure that the reform momentum was maintained. He said he was willing to act as an advocate with the international financial institutions for any subsequent Russian proposals to alleviate the social costs of reform.

His advice to Mr Yeltsin was that there should be "no turning back" in the fight against inflation, and no letting up in privatisation. He also announced the creation of a second US enterprise fund, capitalised at $100m, to be directed by Mr Michael Blumenthal, the former treasury secretary.

In return, Mr Yeltsin disclosed that he intended to retain the privatisation minister, Mr Anatoly Chubais. That follows another threat by the reform group led by Mr Yegor Gaidar, prime minister, to pull out of the cabinet en masse if reformers did not get more government posts.

Mr Yeltsin has agreed to expand the number of deputy prime ministers from four, as announced this week, to five. Mr Yegor Gaidar, first deputy prime minister, and Mr Oleg Soskovets, also a first deputy premier, are said to be certain to be confirmed in their present posts – with the two further deputy premiers still the focus of intense backroom struggles between the different political forces.

The fate of Mr Boris Fyodorov, the reform-minded deputy prime minister for finance, remained in doubt yesterday. He has said he will not serve if conservatives such as Mr Viktor Geraschenko, the central bank head, are retained, as seems likely. Both Mr Gaidar and Mr Chubais met the US delegation yesterday but no meeting with Mr Geraschenko was scheduled.

Also not invited to a reception at the US embassy last night was Mr Vladimir Zhirinovsky, the ultra-nationalist leader, whom Mr Christopher described as "unfit" to meet the US president. Mr Zhirinovsky said Russia had no need of help from the US.

Most of Mr Clinton's first day in Moscow was devoted to economic matters, which, according to a White House official, "demonstrates that economics are now at the centre of the US-Russian relationship".

The cancellation of a meeting with the Patriarch of the Russian Orthodox Church, who was ill, gave the president the opportunity to plunge into the crowds in Red Square and to light a candle for his recently deceased mother in a church razed under the old communist regime but since rebuilt.

Russia clouds reform path, Page 2

March poll may follow Ciampi's resignation

By Robert Graham in Rome

President Oscar Luigi Scalfaro last night looked set to dissolve Italy's parliament and call general elections for late March following the resignation of the eight-month-old government of Mr Carlo Azeglio Ciampi.

Mr Ciampi, the 73-year-old former governor of the bank of Italy and the first non-elected premier this century, handed in his resignation during a meeting with Mr Scalfaro yesterday afternoon.

The president did not formally accept the resignation. Officials said he was anxious to consult first with the leaders of the two houses of parliament and prominent politicians, to ensure Italy had a stable caretaker government in the run-up to elections.

An announcement on the dissolution of parliament is expected at the weekend. Elections must then be held within 60 days. The most likely dates are March 20 or March 26.

Mr Ciampi's resignation followed an abortive attempt by a hard core of Christian Democrats and their allies to prolong the life of the present parliament, at least until June so as to hold general elections alongside European parliamentary elections.

The manoeuvre was backed by some Socialists, Social Democrats and Liberals plus a group of mavericks among the Radicals and Republicans – in effect, those that have long dominated Italy's political life and risk oblivion in a general election. Their aim was to delay elections as long as possible to allow new parties to form, and exploit their parliamentary privileges to protect them from prosecution in the corruption scandals.

The move to prolong parliament took the form of a no-confidence motion presented just before Christmas. The 170 signatories hoped to remove Mr Ciampi or ensure he was forced to form a new government. This backfired when debate on the motion began on Wednesday and it became clear the motion lacked a majority in the 630-seat house.

Yesterday Mr Marco Panella, the Radical leader who tabled the motion, withdrew it. The backers of the no-confidence motion then changed tactics and proposed a confidence motion which has yet to be debated.

Dollar soars as retail sales beat forecast

By Michael Prowse in Washington and Gillian Tett in London

A bigger than expected increase in US retail sales last month pushed the dollar up sharply yesterday in spite of Bundesbank intervention.

Retail sales rose 0.8 per cent last month and by 6.9 per cent in the year to December, the Commerce Department said. Most economists had expected a December rise of only about 0.3 per cent and the figures caused economists to revise up their estimates of US fourth quarter economic growth.

Separate inflation figures showed a rise in the consumer price index of 0.2 per cent last month and 2.7 per cent in the year to December, roughly in line with projections.

Many Wall Street analysts have raised their estimate of growth in the fourth quarter to an annual rate of 5 per cent or slightly more. But most expect growth to moderate this quarter.

Nevertheless, the figures caused the dollar to burst through its 1993 high of DM1.7480, and then breach a second key market barrier of DM1.7520. The dollar closed in London at DM1.752, up nearly 2 pfennigs on its Tokyo overnight level.

The Bundesbank's attempt to defend the D-Mark against the dollar yesterday was the first for at least seven months, dealers said.

After rumours of Bundesbank intervention swept the European markets in the morning, the Bundesbank bought D-Marks worth "several hundred million dollars", according to one dealer, in an attempt to hold the dollar at DM1.7440.

Mr John LaWare, a Federal Reserve governor, yesterday said he saw little reason for an early adjustment of monetary policy. "The inflation outlook is favourable," he told businessmen in Boston. He predicted the annual rate of inflation would stay in the 2.7-2.8 per cent range this year.

The Fed expected the economy to grow by between 3 per cent and 3.5 per cent this year after expanding at an unsustainable annual rate of 5 per cent in the fourth quarter, he said.

Some analysts cautioned that the retail sales figures were less robust than they appeared, especially after adjusting for distortions caused by a surge in car sales in the fourth quarter. Figures for retail sales excluding cars were revised down sharply in November, to show a monthly decline of 0.1 per cent rather than a gain of 0.5 per cent.

The 2.7 per cent rise in consumer prices last year marked the second consecutive annual increase below 3 per cent – the first such achievement since the 1960s. However, figures for "core" consumer prices, which exclude the volatile elements of food and energy, were less good.

The core index rose 0.3 per cent in December for the third month running, equivalent to an annual rate of 3.4 per cent.

Currency markets, Page 36

Reuters agrees to take Quotron off Citicorp's hands

By Richard Waters in New York and Andrew Bolger in London

Reuters Holdings, the UK-based international business information and news group, has strengthened its position in global equity markets by agreeing to buy the Quotron data service business from Citicorp, the largest US bank.

Reuters shares rose by 28p to 1,853p on the news of the proposed deal, which analysts welcomed as a good strategic move. The terms were not disclosed, but it appears that Reuters will be paid by Citicorp to take the loss-making Quotron off its hands.

Quotron provides quotes, news and analysis of equities to professional investors and brokers in the US. Analysts estimate the acquisition will boost Reuters' share of the global equity market to about 20 per cent, just behind Automatic Data Processing of the US.

Quotron has made losses ever since Citicorp bought it for $680m in 1986. The deal was one of the earliest and boldest moves of Mr John Reed, Citicorp chairman, who argued that the bank should seek to benefit from the expansion of financial information services.

However, Quotron has suffered a continual erosion of its customer base in the US, due in part to Citibank's failure to invest in developing the company's products until very recently. At the end of 1991 Citibank wrote down its investment in Quotron by $400m.

Its decision to write off another $179m now, to cover all the costs associated with the disposal of the business, shows that even that was too optimistic. Reuters said that Citicorp had agreed to underwrite certain operating costs in connection with the deal, which was conditional on due diligence and regulatory approval.

Quotron's screens have all but disappeared from the desks of the US's large national stockbrokers. Last year it lost the accounts of both Dean Witter and Kidder Peabody, which between them had accounted for some 7,000 of Quotron's 60,000 screens.

Quotron was chosen in 1991 to build and operate a foreign exchange trading system which was designed specifically to attack Reuters' dominant share in that market. That project, known as EBS and backed by a number of the biggest foreign exchange trading banks, will be retained by Citicorp.

Citicorp results, Page 33

Markets in Asia fall as investors take profits

By Michael Morgan and John Pitt in London

Asia's equity markets suffered a sharp decline in trading yesterday, led by a 5.9 per cent plunge in Taiwan and a 5 per cent tumble in Hong Kong.

Analysts said the turnround after the recent phenomenal rise in the region was due to selling by US and Japanese retail investors, with institutional funds remaining committed.

They also pointed out that while the decline was broadly based, there was no common theme behind yesterday's falls as markets reacted to domestic news and developments.

Taiwan's slide, for instance, was largely the result of dashed hopes of stronger links with mainland China.

Hong Kong's fall marked a third consecutive day of selling. In subsequent London trading of Hong Kong shares, buyers returned, taking the indicative market index up by 2 per cent, and some brokers expect the market to bounce back today.

Kuala Lumpur and Bangkok saw 3 per cent falls, while

Continued on Page 20
World markets and currencies, Section II

CONTENTS

 No 32,266 Week No 2

LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

NEWS: EUROPE

Balladur loses case on private schools

By David Buchan in Paris

France's constitutional council yesterday slapped down the conservative Balladur government's private school finance reform, in a move which the Socialist opposition hailed as a victory for public education.

The nine-member council ruled that the bill's controversial removal of an 1850 limitation on public funding of private, largely Catholic schools, infringed the constitutional equality between public and private education. "Article 2 of the law on investment aid to private education institutions by local authorities is contrary to the constitution," the council said. But it threw out Socialist objections that the government had improperly rushed the bill through the Senate just before Christmas.

Mr Michel Rocard, the Socialist party leader, said the ruling was "a victory for all those who are attached to public education". The schools row has galvanised the Socialist party, shattered in last March's elections, into helping organise a big Paris protest this Sunday against government education policy. Evidently aware that the council's ruling might reduce attendance, Mr Rocard still urged "all defenders of lay education" to turn out on Sunday.

An opinion poll published in the weekly magazine Globe-Hebdo earlier this week said 60 per cent of voters backed the protest, while only 33 per cent opposed it. The Socialists have argued that the law would have created discrimination and a two-tier system.

The prime minister, Mr Edouard Balladur, facing his first test on an issue for which the opposition has popular backing, refused any immediate reaction to the council's ruling. But earlier, on a trip to Bordeaux, he commented that criticism of his school funding plan was motivated "less by hostility to private education than by worries about public schools".

The 1850 law stipulates that regional and municipal authorities can fund no more than 10 per cent of private schools' infrastructure, though for the past 35 years the French state has paid teachers' salaries and running costs of private schools which undertake to follow the state syllabus and exams.

Mr Balladur has this month tried to appease his opponents, who argue that any more public funding of private schools will be at the expense of state education, by promising an extra FFr2.5bn ($420m) to improve physical safety in public schools. But yesterday's ruling will not stop his own backbenchers, particularly in his UDF coalition party, from railing against the 1850 restriction which many right-wing councils are anyway flouting.

Zhirinovsky berates rivals

By Leyla Boulton in Moscow

A key Yeltsin aide was elected speaker of Russia's upper house of parliament yesterday as Mr Vladimir Zhirinovsky, the neo-fascist leader, announced that he was withdrawing his candidacy as head of the lower house.

Mr Vladimir Shumeiko, first deputy prime minister, was elected as speaker of the Federation Council. In the lower house, however, Mr Zhirinovsky recommended that his rivals be sent to psychiatric hospitals and said he was saving his health in order to become president.

"I temporarily withdraw my candidature until presidential elections [due in 1996] and then we will talk," he said. "In two years, through our special [security] services, we'll know who was ill and with what."

When Mr Anatoly Chubais, the radical privatisation minister reconfirmed in his post yesterday, pointed to his watch to get Mr Zhirinovsky to cut short his hectoring, Mr Zhirinovsky yelled: "You'll be doing that to call for your supper in Lefortovo jail." Lefortovo is where Mr Ruslan Khasbulatov, the former parliamentary speaker, is being kept for his role in last year's coup attempt.

As the Liberal Democratic party leader continued to make a mockery of parliament, Mr Anatoly Sobchak, the mayor of St Petersburg, claimed he had evidence that the KGB picked Mr Zhirinovsky to head an alternative, controllable party requested by the communist politburo as it formally gave up its monopoly on power in 1990.

Mr Mikhail Gorbachev, former Soviet president and head of the party, yesterday denied his politburo had decided to set up such a party, although he could not vouch for other forces such as the KGB.

Mr Zhirinovsky's withdrawal from the race for speaker means the likely victory of Mr Ivan Rybkin, a 47-year-old former Communist party secretary who belongs to the conservative Agrarian party.

Mr Vladimir Lukin, the Russian ambassador to Washington, was eliminated from the race in early voting yesterday. He had the support of the democratic parties, including Russia's Choice, the largest single group in parliament.

Two anti-Yeltsin candidates, including Mr Rybkin, remain for a run-off vote to be held today.

Reuter

Russian foreign minister Andrei Kozyrev (left), deputy premier Yegor Gaidar, and prime minister Viktor Chernomyrdin yesterday

Russia clouds reform path

By John Lloyd

The first day of the summit between the Russian and US leaders produced some pro-reform rhetoric and a commitment from President Boris Yeltsin to confirm Mr Anatoly Chubais as a deputy prime minister in charge of privatisation.

Mr Lloyd Bentsen, the US treasury secretary, pronounced his president, and himself, pleased: "Reform is going right ahead: there was unanimity of opinion on this," he said after talks yesterday with Mr Yeltsin, and separately with Mr Yegor Gaidar, the first deputy prime minister, and Mr Boris Fyodorov, the deputy prime minister for finance.

Sources in the reformist camp say, however, that the reappointment of Mr Chubais was the fruit of an appeal from the Russia's Choice group, led by Mr Gaidar, to Mr Yeltsin to increase the number of radicals in the cabinet – without which Russia's Choice would refuse to participate in government at all.

Still unknown is the future of Mr Fyodorov, who has said he will not serve either with some of the more conservative members of the present cabinet or with Mr Gerashchenko, the central bank chairman.

Further, Mr Chubais's programme of privatisation does not directly impinge on the drive to hold down inflation, restrict credits and attack the budget deficit – the central macroeconomic issues which are most in contention between the radicals and the conservatives. Thus the day's good news for President Clinton and his team – in the form of assurances of continued reform from Mr Yeltsin – must be balanced by the questions which remain open.

First, what will the cabinet's programme and policies be? It has as yet no budget for the first quarter of this year – and is faced with the terrible problem of accommodating at least Rbs6 trillion estimated to be the spending which should have been committed at the end of last year but was delayed or cut in order to get last year's deficit down to under 10 per cent.

If, as the US leaders claimed yesterday, there was a "unanimity" on the need for reforms, these decisions cannot again be finessed – but are very hard to square with the announced intention of Mr Viktor Chernomyrdin, the prime minister, in his speech to the State Duma on Tuesday to avoid future shocks.

Second, what will the west's assistance consist of? Mr Bentsen and his senior officials have made it clear both that they expect the International Monetary Fund and the World Bank to continue to be the lead agencies in providing support to the Russians.

US officials want them, especially the Fund, to be less fussy and much more active in getting funds into Russia.

"The issue," said one official, "is not less conditionality on the part of the Fund, but less passivity."

This line is now the accepted one within the Group of Seven. Mr Bentsen made the point obliquely yesterday, when he showered praise on Russian success in stabilisation – the budget deficit down from 20 per cent of GNP at the end of 1991 to 9 per cent at the end of 1993, inflation down from 30 per cent to 12 per cent a month last year, wages up three times in real (dollar) terms. "When the president heard this," said Mr Bentsen, "he said, 'this message must get out'" By which he meant: this message must be accepted by the Fund and the Bank.

However, the Fund and the Bank made it perfectly clear in their joint note published last week that they believe they cannot lend because the Russian government has been unable to deliver on reform. Where the Clinton team praises progress, the Fund and the Bank point to the lack of it.

This gulf in western approaches to Russian reform must somehow be bridged, or squeezed shut, if the next $1.5bn (£1bn) of the IMF's systemic transformation facility, and the $4bn for stabilisation, is to be delivered soon.

Negotiations the Fund was due to have with the Russians next week have been delayed for at least a week: and it remains to be seen if they will approach these in the spirit in which Mr Bentsen and his team appear to wish. The lineaments of the next phase of the economic transformation of Russia are still unclear.

Kohl pledges special role for Germany

By Quentin Peel in Bonn

Chancellor Helmut Kohl yesterday pledged a special role for Germany, because of its geography and its history, in seeking to integrate both Russia and the rest of eastern Europe into the institutions of western Europe.

He suggested that both the Nato alliance and the European Union had the identical aim of including the emerging democracies of central and eastern Europe in their existing communities.

At the same time, he defended the slow process of moving towards full membership, implied by the Nato "partnership for peace" programme, as essential to prevent new divisions opening up on the continent.

In an apparent attempt to reassure the new east European democracies, including Poland, the Czech Republic, Hungary and Slovakia, Chancellor Kohl stressed the parallel process of integration into the European Union as well as into the Nato alliance as the decisive achievement of this week's Nato summit in Brussels.

He recognised the security concerns of the east European democracies, and equally, the fears in Russia of being isolated or fenced in by hostile forces.

"We must not create new divisions, and thus create new tensions in Europe," he said.

"Security and stability in Europe are indivisible. That is why disappointment or discouragement at the decisions of the Nato summit are not appropriate."

Germany had friendly relations with all the countries of eastern Europe, and with Russia, he told the German parliament.

It had a particular role to play in ensuring their integration with the west, because of good neighbourliness and because of its special historical responsibility.

"We want the accession of these countries." However, they must themselves create the necessary political and economic conditions for this to occur.

Membership of the European Union also meant involvement in the common foreign and security policy of the existing member states.

Future EU members could be involved in that common policy, even before their full accession to the union.

OBITUARY

Death of Norway's Mideast peacemaker

Mr Johan Joergen Holst, Norway's foreign minister, has died in his sleep at a recuperation centre outside Oslo after suffering two strokes. He was central to the contacts between the Israeli government and the Palestine Liberation Organisation which produced the peace handshake last September in Washington between Mr Yitzhak Rabin, Israel's prime minister, and Mr Yassir Arafat, the PLO chairman.

Holst: 'took over the baton' of the peace talks

Mr Holst was always one for overworking and the burden of too little sleep and years of prodigious academic output on strategic issues took its toll. Apart from his political career, he was head for many years of the Norwegian Institute for International Affairs.

Born in 1937, Mr Holst was among a number of Norwegian politicians, part of a tradition going back may years, to have an apparently disproportionate influence on international affairs.

When he took over as foreign minister last April from Mr Thorvald Stoltenberg, who left to become the United Nations peace envoy to former Yugoslavia, the secret Middle East peace talks had already been under way for several months. But they were still at a fragile early stage, lacking as yet the participation of Israeli government officials.

Mr Holst later said he "took over the baton" in a relay. It was a baton he carried with enthusiasm and tenacity to the finishing line four months later when he presided over the initialling of the declaration of principles at a secret ceremony in Oslo in the early hours of August 20.

Mr Holst's role in the negotiations was probably most important at those times when the talks were most in danger of collapse. In mid-July, a crisis blew up at a session in Halvosbole, with the two leading PLO and Israeli negotiators exchanging insults, and one threatening to pull out. Both sides went home, leaving the negotiations apparently at an impasse.

After the Halvosbole row, Mr Holst spent long hours in Tunis with Mr Arafat discussing the shape of the proposals so far drafted.

With other Norwegian mediators, they spread out maps of Israel and the occupied territories, and pored over them while they debated key issues of dispute. Mr Holst later said the meetings convinced him that Mr Arafat was not only fully committed to achieving a settlement, but was personally in charge of the PLO negotiating effort and fully briefed on all its aspects. In letters, telephone calls and face-to-face meetings, Mr Holst conveyed this conviction to Mr Shimon Peres, the Israeli foreign minister, and the talks resumed. At the same time Mr Holst sought assurances from the Israeli side that Mr Rabin was as committed as Mr Arafat.

In an interview later, Mr Holst said there was underlying the negotiations a fundamental problem which he set about overcoming: the lack of essential mutual confidence between the Israeli and PLO leaderships over their respective commitment to the talks, and their ability to make a deal and then to make it stick.

Mr Holst was also at the centre of the final negotiating session which sealed the agreement.

It took place not in Oslo but in Stockholm, where Mr Holst was summoned at short notice on August 17 by Mr Peres, who was on a visit.

An unfairness of his passing was the extent to which he looked after himself physically. To ski with him was to watch with frustration his skilled disappearance over the horizon. At other times, his passion for stamp collecting more than once niggled his wife, Ms Marianne Heiberg – who was central also to PLO-Israeli contacts. He was a fluent Russian speaker. He had four children from a previous marriage and one from his present one.

His diplomatic skills, as a dedicated pro-Nato (he was tipped to succeed Mr Manfred Wörner as its chief) and Atlanticist advocate, outstripped his local political instincts, although he was an assiduous worker for the Labour party. Regarding him as aloof, the Norwegian press attacked him when he was defence minister.

The strongest tributes came yesterday from Palestinians and Israelis alike. Mr Rabin said: "The state of Israel will remember Johan Joergen Holst as the person who succeeded in bringing the distant together, in overcoming the enmity of generations and in laying foundations for peace."

Mr Arafat said: "We lost with his early departure one of the sincerest friends of our Palestinian people." Saying his efforts made possible the mutual recognition of the PLO and Israel, the PLO leader added: "With this, he has registered his name and his country's name in the pages of the world's peace."

Anthony McDermott

It all appears to be over except for the shouting, writes **Quentin Peel**

Germans may avert pay war

The annual German wage round yesterday began in earnest, as formal negotiations were launched in three key regions of the mighty 3.4m-strong engineering industry, and public sector pay talks began with the 250,000 postal workers.

GERMAN WAGE ROUND

Industry	Union	Workers covered	Claim
Engineering	IG Metall	3.4m	5.5-6.0 per cent
Public sector	OeTV	2.65m	4 per cent to match inflation
Banking	HBV/DAG	430,000	DM270 per month + cut in hours
Paper	IG Medien	123,000	5 per cent
Construction	IG Bau	1.4m	Not decided
Printing	IG Medien	180,000	Not decided
Wholesale	HBV	1.0m	Not decided

Source: Midland Global Markets & FT

If the rhetoric from both employers and trade unions is to be believed, then a long and bitter pay round is in prospect. Most employers are demanding an absolute pay freeze, while the unions insist that incomes must be protected, and working hours reduced to provide new jobs for the unemployed.

Yet many commentators outside government and industry believe that the worst is already over, and only the shouting remains. They hope that a 2 per cent pay deal for the chemical industry, agreed this week after arbitration for the 170,000 workers in the north Rhine region, will set a clear signal of moderation and good sense.

There certainly will be a good deal of sound and fury in a pay round coming on the eve of a mammoth election year, with a whole series of state elections leading up to a general election in October.

On the other hand, the prospect of unemployment reaching 4m this year, and the memory of the sharpest downturn in the west German economy since the war last year, have certainly caused the trade unions to moderate their militancy. It is employers who are making headline-catching demands for cost cuts in 1994, while the unions are simply attempting to hold the line.

The chemical industry may prove to be important psychologically, most analysts believe, especially for the rest of the private sector. Yet the most important message from the deal is probably not in the agreement on a 2 per cent pay rise, after a two-month pay freeze, meaning a real cut in wages. As far as the employers are concerned, the best part of the agreement is a significant shift towards more flexibility.

In the first place, the deal provides for a "working time corridor" for the industry, with individual enterprises free to negotiate working hours at plant level between a 35-hour and a 40-hour week.

Secondly, it allows companies to take on new workers from the dole queue at only 90 per cent of the agreed basic wages, an important concession by IG Chemie, the chemical workers' union, in order to promote job creation instead of redundancies.

But employers warn against any overhasty calculation that the rest of German industry will now fall in line.

"We cannot assume that there will be the same sort of deals throughout industry," according to Mr Johannes Göbel, deputy head of the wages department at the German employers' federation (BDA).

Top priority for the employers now is to see real cost cuts emerging from the talks between IG Metall, the engineering workers' union, and an increasingly militant Gesamtmetall, the engineering employers. Their aim is a pay freeze on basic rates, and abolition of extra holiday pay, thus leading to an overall 10 per cent cut in costs.

Talks began yesterday between the two sides in North Rhine-Westphalia and Hesse, where the union is calling for a 5.5 per cent pay rise to match inflation and higher productivity, and in northern Baden-Württemberg (home of Daimler-Benz), where it is seeking 6.0 per cent.

Few believe they will emerge with anything better than the chemical workers, but Mr Walter Riester, the deputy leader of IG Metall, is not ready to capitulate yet.

The public sector union, OeTV, is also adamant that it will not accept a pay freeze, as sought by the three levels of employers in the public service - central government, the 16 states, and the local authorities.

Ironically, it is the lower levels of government, where the opposition Social Democrats are most often in control, where the financial constraints are most severe.

OeTV has already lowered its sights to 4 per cent, loaded in favour of the low paid.

"There is a clear expectation amongst the workers that we will and must do better than a nominal pay freeze," Mr Rainer Hillgärtner, the union spokesman, said yesterday.

What the employers hope is that sector by sector they can negotiate similar deals to the chemical industry, providing a real element of flexibility for individual employers to set their own plant-level agreements.

Belgian scandal takes its toll on markets

By Andrew Hill

Mr Guy Coëme, Belgian deputy prime minister, yesterday hit back at allegations that he committed forgery, and was involved in illegal acts connected to the award of a lucrative government helicopter contract five years ago.

"I have not committed forgery, there has been no forgery, and no illegality. The procedure is perfectly correct and in line with all legal requirements," Mr Coëme, former defence minister, told a news conference.

Mr Coëme, now communications minister in Belgium's centre-left coalition, is the most senior of three ministers from the country's French-speaking Socialist party, wanted for questioning by Mrs Véronique Ancia, a Liège magistrate.

Mrs Ancia is investigating allegations of bribery and corruption in relation to the 1988 contract awarded to Agusta, the Italian aircraft manufacturer. In particular, she is examining the possibility that bribes were offered or paid to the francophone Socialist party to influence the decision. Mrs Ancia has asked the national parliament and the assemblies of the country's Walloon region and French-speaking community to lift the parliamentary immunity of the three ministers.

The widening political scandal took its toll on the Belgian franc and bond markets yesterday morning, as dealers speculated about the possibility that the Agusta affair might damage the government.

A committee of members of the Belgian parliament's upper house should vote today whether to lift the parliamentary immunity of Mr Guy Spitaels, minister-president of Wallonia, and Mr Guy Mathot, Walloon interior minister. The balance of votes in the committee appeared yesterday to be tipped against Mr Spitaels and Mr Mathot, both of whom have argued against lifting of immunity, but offered to talk separately to Mrs Ancia.

Mr Coëme, and Mrs Ancia herself, are likely to be questioned by a similar committee of the lower chamber next week about the request.

All three men have this week denied any wrongdoing, and Agusta itself has repeatedly denied any connection with illegal financial dealings.

But the trio – dubbed *les trois Guy* – have also attacked the widespread leaking of what they say is an inaccurate report to the parliament, justifying Mrs Ancia's request for the lifting of immunity.

Mr Coëme called yesterday's press conference specifically to tackle charges contained in that report. In particular, he struck back at allegations that vital documents were doctored to favour the Agusta bid over French and German competition, claiming that Mrs Ancia was referring to an unauthorised rough copy of the final document.

Explaining his refusal to resign while the case was being examined, Mr Coëme said: "I have a feeling of deep injustice about what has happened concerning my role, and a resignation would be considered . . . a second injustice."

Political commentators appear to be divided about the significance of the affair for the survival of the government, a fragile coalition of Dutch- and French-speaking Christian Democrats and Socialists. Flemish opposition parties have been particularly critical, but the potential scandal has not touched any other ministers in the current government directly.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International).
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK, Telephone 33 13 44 41, Fax 33 93 53 35.

NEWS: EUROPE

Sweden in fresh delay on bridge

By Christopher Brown-Humes in Stockholm and Hilary Barnes in Copenhagen

Sweden yesterday paved the way for an eventual bridge and tunnel link with Denmark, but avoided a government crisis by again postponing a formal decision on the issue.

Mr Carl Bildt, prime minister, said the government needed to be sure that water flows into the Baltic Sea would not be disturbed by the bridge before the final go-ahead could be given. Danish prime minister Poul Nyrup Rasmussen said the postponement was "deeply regrettable".

The Water Tribunal, which has already examined the issue, has been asked to give further guarantees. Provided the assurances are forthcoming, the government has said it will approve the project. But its position may not be supported by the Centre party, one of four members of the minority coalition government, which has strongly objected to the link on environmental grounds.

The party has retained the right to dissent from the final decision.

Yesterday's formula makes it more likely that the government will remain intact in the run-up to September's general election, although differences between the Centre party and the other coalition partners remain significant.

"The risk of a government crisis is now wholly averted," said Mr Bildt.

A final decision on the link is expected before the election, although the exact timetable is unclear. The environmental investigations will take a month.

The 17km road and rail link across the Oresund between Copenhagen and the southern Swedish city of Malmo is strongly supported by most Swedish and Danish politicians, as well as industry and trade unions. It will cost $2.5bn.

Construction of the onshore access roads on the Danish side of the bridge has already begun, after Denmark and Sweden agreed to build the link three years ago. But, following yesterday's announcement, the Danish government said it was considering calling a halt to the building work.

EU steel cuts deal 'politically contrived'

By Andrew Baxter

The German steel industry faces two years of "severe pain" following last month's Brussels agreement on state subsidies in the European Union steel sector, a leading UK consultancy warned last night.

More jobs will be cut at all the big German plants as a new wave of restructuring takes place and further plant closures are inevitable, said Sheffield-based Meps Europe in its latest quarterly review of world steel outlook.

The report comes nearly four weeks after the agreement by EU industry ministers on state subsidies, which has been widely criticised by non-subsidised steel companies in Germany, France and the UK.

Yesterday Meps added to the simmering row over the agreement by claiming that the 5m tonnes of capacity cuts by subsidised companies hammered out at Brussels was a "politically contrived" figure to embellish the deal.

"The effective capacity cut from the subsidised companies is nearer to 2.5m tonnes," it says.

Non-subsidised companies are now left to find 25m tonnes of capacity cuts to meet the original target of 30m tonnes across the entire industry.

However Mep says the subsidised companies offered less capacity cuts than were expected. "Other enterprises are not likely to increase their offers of capacity reductions now that the terms of the agreement with the subsidised companies are known."

Meps said the German steel sector would carry a large proportion of the capacity cuts and job losses in any plan for the non-subsidised steel companies.

The agreement by industry ministers to allow Ekostahl, the struggling east German producer, to build a hot strip mill would reverberate throughout the German industry. But the effect would be felt mainly in western Germany, where many more jobs would go – on top of some 2,200 job cuts from last year's closure of the Krupp-Hoesch Rheinhausen plant.

Meps forecasts EU crude steel production will be 127m tonnes this year, down 3m tonnes or 2.3 per cent on the expected out-turn for 1993.

Swiss banks in secrecy clash

Switzerland's private banks are balking at a government proposal obliging them to report suspicions of money laundering by their clients, writes Ian Rodger in Zurich.

"It is not our task to be investigators for the authorities," Bank Julius Baer in Zurich said. The "obligation to denounce" promises to be the most controversial of several measures proposed to fight organised crime.

There is already a widely supported proposal before parliament to give bankers the right to denounce a suspected criminal client, as well as recent directives from the Swiss Banking Commission and the Swiss Bankers' Association providing for sanctions against a banker knowingly dealing with criminals. The new measure seeks to extend the right to denounce into an obligation to do so.

Shop sales fall

Retail sales in western Germany fell by a seasonally adjusted 2.5 per cent in November compared with October, pointing to prolonged low domestic demand, writes Ariane Genillard in Bonn.

Woman candidate may cause Finnish poll upset

Rehn: strong support among women Camera Press

By Hugh Carnegy in Helsinki

A late surge in popularity by Mrs Elizabeth Rehn, the Finnish defence minister, yesterday rattled her opponents in Sunday's presidential election, for the first time raising some doubt that the eventual winner will be Mr Martti Ahtisaari, the Social Democrat and former senior UN diplomat.

An opinion poll for the national television station put Mrs Rehn, of the Swedish party, in third place among the 11 candidates in Sunday's first round of voting with 18 per cent, only just behind Mr Paavo Väyrynen, the former foreign minister and candidate of prime minister Esko Aho's Centre party, who had 19.2 per cent support.

Mr Ahtisaari still leads the field with 26.6 per cent. But the poll showed that if Mrs Rehn can reach the run-off vote on February 6 between the two leaders that emerge on Sunday, she stands the best chance of any candidate of beating Mr Ahtisaari. The poll showed a 50-50 split between Mr Ahtisaari and Mrs Rehn in a second round contest, compared with a 62-38 Ahtisaari advantage over Mr Väyrynen and a 54-46 Ahtisaari lead over Mr Raimo Ilaskivi, the candidate of the Conservative party.

Mrs Rehn appears to have gained a significant and well-timed momentum in the hitherto stale campaign, despite representing the Swedish-speaking minority in Finland which accounts for only 6 per cent of the population. She has apparently attracted strong support among women and among non-socialists who lack faith in either Mr Väyrynen or Mr Ilaskivi and are looking for a strong personality to take on the popular Mr Ahtisaari.

She – like Mr Ahtisaari – is an unequivocal supporter of Finland's application to join the European Union, an issue that is set to be decided in a referendum later this year. Despite being a member of an unpopular government, her straightforward style seems to have cut through a widespread public animosity towards the political establishment engendered by Finland's deepest ever recession – an asset previously exploited mainly by Mr Ahtisaari.

Commentators in Helsinki say Mrs Rehn's cause was also boosted by Finnish outrage over a statement by Mr Vladimir Zhirinovsky, the Russian nationalist leader, who said recently a country with a woman as defence minister did not deserve to be independent.

Three consortia seek to dial into Italian mobile network

Haig Simonian on the race to win liberalised phone market licence

So popular has cellular telecommunications become in Italy that many fashion houses are producing snappy designer pouches to hold the growing number of phones in circulation.

The state airline, Alitalia, has started warning against the use of phones on its flights. But this only provokes the same cravings as the ban on smoking: as soon as the doors open dozens light up or start pushing buttons.

But cellular telephony is more than just a fad in Italy, whatever the national propensity to follow fashion. As elsewhere in Europe, the ability to make calls on the move has become a valuable business tool. The division of responsibilities between the political capital in Rome and the business centre in Milan means managers are often in transit.

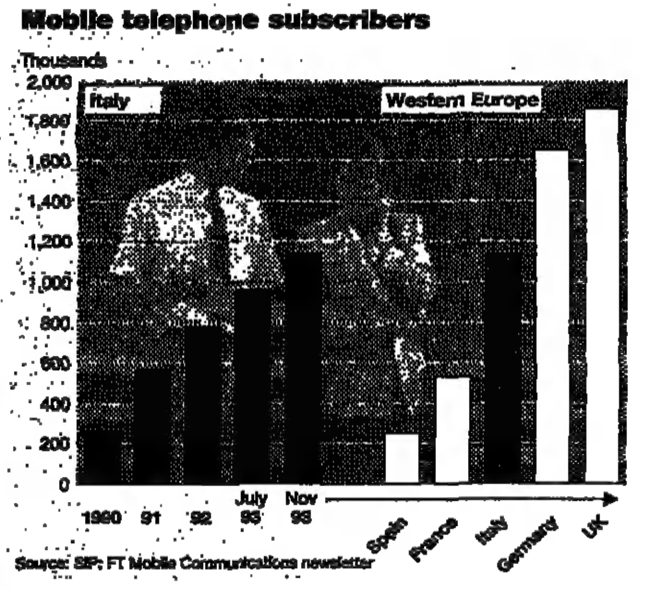
In a country where ownership of a second, or even third, holiday home is not just a luxury for the ultra-rich, access to a mobile phone can also represent a saving compared with paying charges for a fixed line, which may be used only occasionally.

The merits of the mobile phone are now so widely perceived that Italy has become Europe's third-biggest market, with more than 1.1m subscribers. That is still behind the UK – the biggest user of mobile telecommunications, thanks to a relatively early start – but not far behind Germany, considering the latter's bigger population.

For the companies jockeying to win the licence to run Italy's new Europe-wide GSM standard network, the hope is that such sharp growth will continue. Mr Tommaso Pompei, managing director of Pronto Italia, one of the bidders, predicts subscribers will rise more than six-fold to about 8m by the turn of the century.

Pronto Italia is one of three consortia putting the finishing touches to their proposals before the pre-qualification deadline on Saturday. The others are Unitel, composed of Fiat, Fininvest and Vodafone of the UK; and Omnitel, comprising Olivetti, Swedish Telecom, BellAtlantic, Cellular Communications and Lehman Brothers.

Mobile telephone subscribers



Source: SIP; FT Mobile Communications newsletter

All three have been slightly taken aback by the speed with which Italy is moving to liberalise its mobile telecommunications market after months of false starts. Hitherto monopolised by the state-controlled Sip telephones utility, the market is being opened up after pressure from the European Commission in Brussels to meet European Union commitments on greater competition.

After paying lip service in the past, matters have moved forward fast under the government of Mr Carlo Azeglio Ciampi. The post and telecommunications ministry has 15 days after the first deadline on Saturday to name companies meeting its pre-qualification criteria. Although no timetable has been set after that and matters could slip because of uncertainty surrounding new elections, expected in March, a winner should be revealed by the end of April.

The race has already produced some surprises. This week, Etra, one of the bidding consortia, comprising subsidiaries of the big Eni energy and chemicals group, Premafin, BellSouth and Millicom, said it was throwing in its lot with Unitel, reducing the competition to a three-cornered fight.

Though that may have put Unitel in pole position, its two rivals are not giving up. Mr Francesco Caio, Omnitel's chairman, says his consortium is the only one to include a company – Olivetti – which sees telecommunications and information technology services as core businesses. Having Swedish Telecom, recently renamed Telia, on board adds a partner with a strong record from the country with the highest per capita penetration of mobile phones, he adds.

Perhaps reacting to lingering doubts about its precise composition, which has yet to be revealed, Pronto Italia also stresses the experience of its members. Mannesmann and Pacific Telesis, the two foreign partners, won the mandate to operate Germany's GSM network, which has signed up 500,000 subscribers within 18 months of opening.

There is still some confusion about the other partners, however. Mr Pompei says the remainder, comprising about 15 medium-sized Italian companies, will only be revealed next week.

All three consortiums, which are expected easily to fulfil the pre-qualification criteria, point to their financial muscle. Omnitel, in which Lehman Brothers, the US investment bank, has 8 per cent, is raising its capital to L200bn ($78m). Unitel is also planning a big rights issue, opening the way for the entry of the Etra consortium members. Pronto Italia, meanwhile, notes that its shareholders include some big banks.

Access to capital will be as important as having the right technology on tap. Both Unitel and Omnitel have so far spent about L7bn just on preliminary studies and market research. Pronto Italia, advised by S.G. Warburg, the UK merchant bank, claims to have got through about L35bn.

Mr Nicolo Nefri, Unitel's chairman, confidently draws attention to the combination of Fiat's industrial might with the marketing skills of Mr Silvio Berlusconi's Fininvest group. The arrival of the Etra partners should further enhance Unitel's image.

Olivetti, the main partner in Omnitel, has been pitching all out for the business. With revenues from hardware in decline, it knows it must move into services to maintain profitability, while distinctions between computers and telecommunications are tending to blur.

The winner is unlikely to be known until after the elections. However, with such powerful corporate forces at play, some cynics are already predicting the mandate may eventually be awarded jointly to Unitel and Omnitel, which would then join forces to run the new network together.

Macedonia in IMF deal

Macedonia has reached agreement with the International Monetary Fund on repaying $85m in overdue loans to the World Bank and launching an economic reform programme, writes Karen Hope from Skopje.

The arrangement will give the former Yugoslav republic access to an IMF standby facility of about $35m this year, and up to $80m in World Bank funding for road, railway and telecommunications modernisation.

The Macedonian government estimates that UN sanctions imposed on its main trading partner, Serbia, have cost the Macedonian economy $2.5bn. The country's gross domestic product is projected to fall by 15 per cent this year, following a 10 per cent drop in 1993.

The structural reform programme, launched this week, aims to cut annual inflation from 240 per cent in 1993 to 70 per cent this year and trim the public sector deficit from 13.5 to 6.7 per cent of GDP. The government plans to increase tax revenues, reform the banking system and privatise almost 200 state companies.

European Union member countries have so far pledged $20m with the US contributing another $5m.

The mayor of Tuzla, in Bosnia, yesterday broadcast a desperate appeal on Sarajevo radio, warning of an imminent catastrophe because of food shortages, writes Laura Silber from Belgrade.

Mr Selim Beslagic said a "humanitarian tragedy" was about to take place in the city, the Bosnian government's biggest stronghold, with food left for just five days.

His appeal followed a Nato communique on Tuesday which called on Bosnian Serbs forces to allow the opening of the Tuzla airport or risk punitive air strikes.

It also coincided with a push by Serb forces on Moslem-held Olovo, south of Tuzla. The fall of Olovo would completely cut off land access to Tuzla and expose it to attack.

Georgia and Abkhazia sign pact

The Georgian government and the breakaway region of Abkhazia yesterday signed an accord calling for the rapid deployment of international peacekeeping forces to police their four-month-old ceasefire, and paving the way for a phased return to Abkhazia of more than 200,000 refugees, writes Frances Williams from Geneva.

Mr Edouard Brunner, the UN mediator, said it would be up to the UN Security Council to decide the size of the force and where the troops should be deployed.

S Korean conglomerates cut the size of sprawling business groups

Chaebol select their core sectors

By John Burton in Seoul

Many of South Korea's 30 largest conglomerates, or chaebol, have disclosed the industries on which they plan to focus under a government policy to reduce the size of the sprawling business groups.

The 10 biggest groups must by Tuesday select three core industrial sectors, and the next 20 must pick two sectors, as part of a government drive to improve efficiency and reduce their dominance of the Korean economy. At least 14 of the 30 have made their selections, including five of the top 10.

Daewoo, the fourth-ranking chaebol, yesterday named motor vehicles, heavy industries including shipbuilding, and trading and distribution operations as its core business sectors.

A related company, Daewoo Electronics, is entitled to almost the same benefits as those provided by the government under the specialisation programme, because it has a widely-diversified share ownership structure.

Core businesses selected by the chaebol will be free of strict state controls on borrowing and will be supported by government subsidies for research and development.

Chaebol which dispose of non-core subsidiaries by reducing their shareholding will be allowed to select an additional one or two core industries.

Among others in the top 10, Hyundai has chosen motor vehicles and electronics, but remains undecided between chemicals and heavy industries, which includes its shipbuilding operations.

Samsung has picked electronics and heavy industries, with chemicals or trading and distribution likely to be its third choice.

Lucky-Goldstar has selected electronics and chemicals, but remains undecided between energy or distribution. Hanjin chose transportation (Korean Air), shipbuilding and heavy industries, and construction.

Ssangyong picked motor vehicles, non-metal minerals and energy. Kia selected motor vehicles, machinery and steel. Hanhwa took energy, chemicals and trading and distribution services.

Sunkyong has decided on energy and chemicals and will probably choose distribution over electronics, since SKC, its main subsidiary, is involved in both chemicals and electronics.

Lotte will concentrate on food and beverage products and distribution and will select construction over chemicals as its third sector if Hyundai and Samsung specialise in the latter area. Other big chaebol are still considering their options.

Syria 'puts US links ahead of Israeli peace'

By Julian Ozanne in Jerusalem

President Hafez al-Assad of Syria is seriously pursuing peace with Israel but will have to clarify his intentions concerning security arrangements and political ties if negotiations are to succeed, Mr Shimon Peres, Israeli foreign minister, said yesterday.

In an interview ahead of Sunday's Geneva summit between Mr Assad and US President Bill Clinton, the 70-year-old veteran Israeli politician said the Syrian leader's priority was improving relations with the US and that peace with Israel was a by-product.

The US keeps Syria on a blacklist of nations supporting international terrorism, obliging the US administration to vote against international loans to Damascus.

"Assad would like to make a comeback in the international arena with the opportunity to be helped financially, so his best address is Washington," Mr Peres said. "Assad, like everybody else who looks to the next century, knows we have come to the end of the hunting season."

Mr Peres's remarks reflect a widespread view among senior Israeli analysts that the summit will help unlock Syrian-Israeli peace talks, which for more than two years have been more like pre-negotiations.

Syria is demanding the return of all the Golan Heights, the strategic plateau captured by Israel in the 1967 Six Day War. Israel has said it will withdraw "on" the Golan, not "from" the Golan, but has consistently refused to spell out its territorial offer until Damascus commits itself to a full peace with Israel, including open borders, trade and diplomatic relations, and comprehensive security guarantees.

The normally optimistic Mr Peres, however, believes the negotiations with Syria will be complicated and could take some time because of the sensitive geographical, security and geo-political implications of peace. "Assad must understand that as he demands territory from Israel he must be crystal clear about his intentions on security and relations," Mr Peres said. "Peace cannot be just a greeting card at Christmas."

Mr Peres stressed the importance of secret diplomacy and the involvement of the US and said he was unsure if agreement could be reached this year. "We have to see first what Assad has in his pocket."

Mr Peres's caution is echoed by many other Israeli "Syria watchers". Mr Arye Shalev, a former general and now an analyst at the Jaffee Strategic Studies centre at Tel Aviv University, said peace with Syria would have to be deeper than the peace reached in 1979 with Egypt. "It must be a real peace between people, rather than between leaders," he said.

Mr Shalev believes that, from a military point of view, Israel must retain a 2km-3km strip of the Heights to protect Israel's northern valleys from attack and defend the Jordan River headwaters, which drain into the Sea of Galilee and provide Israel with 30 per cent of its water needs. He says such a strip could be negotiated under a leaseback deal and is vital to prevent a repetition of an incident in 1965, when Syria tried to divert the Jordan's waters to a reservoir, or the 1967 and 1973 wars.

Other Israeli analysts are less optimistic about negotiations, pointing to Syria's strategic relations with Iran, its involvement with Palestinian groups opposed to peace, and the nature of Mr Assad's regime, which has justified years of political oppression and economic stagnation on the need to be mobilised against the "Zionist enemy".

However, despite the difficulties, most Israelis accept that a comprehensive Middle East peace will depend on progress with Syria. They believe Syria dictates policy to Lebanese officials negotiating peace with Israel and influences Jordan.

On peace talks with the Palestinians, Mr Peres said the PLO had made a tactical error to argue over every point blocking implementation of the agreement for self rule in the Gaza Strip and Jericho.

The Palestinians were losing time as all issues would be re-opened when talks began within months on extending self-rule to the rest of the West Bank and within two years on a permanent solution.

"The Palestinians should remember this is an interim within an interim and they can come back later and negotiate further," he said.

Shimon Peres (left) and Hafez al-Assad: 'Peace cannot be just a greeting card at Christmas'

Loyalty pledge boosts Tokyo coalition

By William Dawkins in Tokyo

The position of Japan's governing coalition in the battle for political reform has been strengthened by a pledge of loyalty from the Social Democratic party, the largest but shakiest partner in the seven-party alliance.

Mr Tomiichi Murayama, SDP chairman, said last night he was confident the four political and electoral reform bills would be adopted. He was speaking a day after the end of the SDP's annual convention, at which a divided SDP closed ranks enough to issue a promise to support the coalition and the reform plans.

The government aims to put the plans to an upper house vote next Wednesday, the last hurdle before they become law. Success in the upper house, where the coalition has a slender majority, would further speed the biggest realignment of the political system since the second world war.

Yesterday, a group of opposition Liberal Democratic party MPs accused the coalition of using "fascist" tactics to obtain agreement on reform – strong words by Japanese standards. Separately, Premier Morihiro Hosokawa denied press suggestions he was planning a cabinet reshuffle, to strengthen the government's economic management and quell coalition differences.

Speculation is growing that agreement on reform will be the signal for another round of realignments of parties and politicians. The SDP pledge of support represents a victory by the party's moderate leaders over a powerful left-wing minority, which fears the reforms spell disaster for the party. The bills were "cyanide", one such delegate said during a heated two-day SDP annual convention which ended on Wednesday evening.

In a disappointing step for Mr Hosokawa, the SDP agreed to continue resisting plans for a sales tax increase. This casts a shadow over any economic recovery because it complicates the government's attempts to launch an economic stimulus package, including tax reform, as soon as the reform vote is over.

Leading coalition members take the finance ministry line that a drop in income tax, seen by many as essential to pulling Japan out of recession, must be funded by a rise in sales tax.

Analysts believe the SDP's desire to hold on to its first experience in power in 45 years means it will compromise on tax at the last minute, just as it is doing on political reform. If the SDP left the coalition over tax, so bringing down the government, a future administration would decide a far higher rise in sales tax than even SDP moderates can accept. "That's a compelling reason for them to stay in the coalition," one analyst said.

The Japanese government said talks between Tokyo and Moscow on the territorial dispute over the northern islands, originally scheduled for this month, could be postponed due to personnel changes in the Russian government, writes Emiko Terazono in Tokyo.

The delay in negotiations could cause increased resentment among Japanese, who have been alarmed over reports that Mr Vladimir Zhirinovsky, leader of an extreme nationalist party, had threatened to bomb Japan if it pressed for the return of the four islands, north of Hokkaido.

The Japanese government is, however, due to hold talks over bilateral co-operation on environmental protection with South Korea and Russia this month following the outcry caused by Russia's dumping of nuclear waste in the Sea of Japan last year. This created tensions between Tokyo and Moscow, which has since been calling for more foreign aid for its nuclear waste management.

Malaysian success story hits currency

By Kieran Cooke in Kuala Lumpur

The Malaysian ringgit, one of Asia's more stable currencies over the past year, has developed a sudden volatility.

For much of last year the ringgit stuck near the M$2.52 mark against the US dollar. In the last week of 1993 it plunged 7 per cent to M$2.70 against the US dollar before bouncing back to under the M$2.60 mark.

Now the currency has again dropped sharply and yesterday was trading at a two-year low of about M$2.73 against the US dollar.

Currency traders say the year-end drop was mainly due to Bank Negara, the central bank, buying in large quantities of US dollars to revalue its reserves and reduce year-end book losses because of foreign exchange transactions.

Last year the bank, known in the money markets as an aggressive foreign exchange dealer, was forced to reveal M$9.3bn (£2.4bn) of foreign exchange losses.

But this week's ringgit fall has more to do with positive factors in the Malaysian economy. Latest estimates indicate that in 1993, for the sixth consecutive year, Malaysia's gross national product grew by more than 8 per cent.

The ringgit has become a victim of the country's economic success. Funds have been flooding into the country, attracted by the strong economy, comparatively high interest rates, and, until recently, the strength of the currency and the bullishness of the local stock market.

This has led to excess liquidity in the financial system. To prevent inflationary pressures building up, Bank Negara has been forced to mop up large amounts of excess funds. A move last week to raise the statutory reserves requirement for banks from 8.5 to 9.5 per cent seemed to do little to ease the problems.

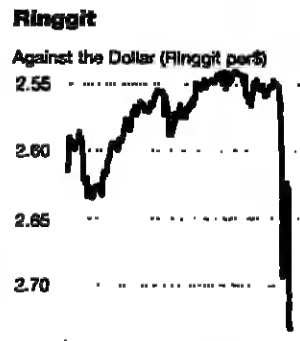
In the last few days the central bank has taken further action: on Tuesday it announced measures to broaden its definition of banks' eligible liabilities – against which the banks have to make provisions – in order to "capture all inflows of funds from abroad".

Bank Negara also said that from January 17 it would impose an unspecified limit on bank holdings from external sources which were not demonstrably trade related or for genuine investment.

The bank's action has sent shockwaves through the currency market, with traders moving swiftly to offload ringgit.

Foreign fund managers believe this will restrict levels of investment in the Kuala Lumpur stock market, one of the world's leading performers last year.

Ringgit



Source: Datastream

Rao must move swiftly to enact his reforms

A year ago, Mr P.V Narasimha Rao, the Indian prime minister, turned down an invitation to speak at the World Economic Forum at Davos. With the Ayodhya mosque in ruins and northern India torn by religious unrest, he rightly judged it would be the wrong time to try to persuade the world about the merits of doing business with India.

He now plans to make up for last year's absence by travelling to Switzerland at the end of the month at the head of a high-powered delegation which will probably include Mr Manmohan Singh, the finance minister and main architect of India's economic reforms.

Mr Narasimha Rao is riding high after three notable political victories in the past two months. In November, the ruling Congress (I) party fared much better than it had expected in state elections in November: the opposition Hindu militant Bharatiya Janata party, whose supporters stormed the Ayodhya mosque, suffered defeat, as voters rejected its firebrand ideology.

Last month the prime minister skilfully defused a potential crisis after an all-party parliamentary committee criticised ministers, including Mr Singh, over their handling of the 1992 Rs40bn (£862m) Bombay securities market scandal.

The finance minister offered to quit but was persuaded to stay by widespread expressions of support from politicians and businessmen alike.

Mr Narasimha Rao capped this victory by winning over to the government benches a small opposition grouping of 10 MPs led by Mr Ajit Singh, thereby securing a stable parliamentary majority for the first time.

The prime minister, who was seen as a stop-gap when he took over from the assassinated Rajiv Gandhi in 1991, is now widely expected to complete the full term of the current parliament, which runs until mid-1996.

Already he has lasted longer than any other prime minister outside the Nehru-Gandhi family. Mr Singh, too, has grown in authority. A career economic bureaucrat, he dislikes the rough-and-tumble of politics.

But the recent fight over his future has reinforced his position. The prime minister and finance minister are better placed to promote reform than at any time in more than a year. They have a chance to recreate the sense of urgency they generated in their first few months in office when they first introduced pro-market reform.

They do not have much time. If politically-controversial issues are not tackled soon, they could be postponed indefinitely because by the end of 1994, at the latest, the next general election will loom larger in MPs' minds.

Therefore, next month's budget, traditionally the time when the finance minister outlines reforms, will be a crucial test of the government's willingness to carry on. Unfortunately for the supporters of pro-market reform, the Congress party is increasingly complacent.

The economy has made unspectacular, but steady, progress under Mr Singh, thanks largely to good weather and good harvests.

A surge in exports and in inward foreign investment has helped India amass nearly $10bn (£6.7bn) in foreign exchange reserves, compared with $1.1bn when reforms began. The rupee has been made convertible on the trade account. Import duties are coming down, and the system of government controls known as the licence raj has been largely dismantled.

Shares in a handful of state-owned enterprises have been sold off in the name of privatisation. A widely-held view in the Congress party is that Mr Singh has driven the wolf from the door and done more than enough to make sure the beast does not come back.

MPs will accept further modest rationalisation of the economy, such as additional customs duty cuts, tax reform, and an overhaul of the financial institutions. But they do not seem ready to countenance the painful restructuring of state-owned enterprises which account for half the nation's capital. Too much political patronage would be lost.

Widely seen as a stop-gap, Rao is now expected to complete the full term, writes **Stefan Wagstyl**

Also, trade unions in banking, telecommunications and other industries have reacted angrily to suggestions of job cuts: conservatively-minded businessmen, meeting informally as the Bombay Club, have urged ministers to keep their interests in mind when opening India to foreign competition.

Mr T.N Ninan, editor of a leading business daily, says: "The most important thing about change is that mental attitudes must change, and the growing body of evidence is that attitudes haven't changed enough".

The government is behind schedule for cutting public borrowing. It had planned to cut the public sector deficit for the year to the end of March 1994 to 4.7 per cent of GDP. The actual figure will be nearer 6.5 per cent.

Certainly, reforms have already created many opportunities for Indian and foreign companies. When he speaks at Davos, Mr Narasimha Rao will justifiably be able to say that Indian has opened its doors to foreign business and that it has made considerable progress, for example, in attracting investment proposals in core industries such as power and petrochemicals.

With the stock market soaring in the past two months by more than 40 per cent, fuelled by foreign investment, the prime minister will also rightly be able to claim that India's standing in international financial markets has been transformed. But without further radical changes, India could fritter away these gains.

Mr Singh, perhaps the only fully-committed reformer in the cabinet, is perfectly aware of the arguments in favour of continued reforms. He has spent much time impressing their importance on Mr Narasimha Rao. The budget will show how persuasive he has been.

Australian jobless rate falls to 10.7%

By Nikki Tait in Sydney

Signs that improvements in the Australian economy are finally having an effect on the nation's labour market were evident yesterday when it was announced that the seasonally-adjusted unemployment rate fell from 11.1 per cent to 10.7 per cent last month.

This is the largest monthly decrease since July 1992, and the improvement was far more marked than most analysts had predicted. The consensus estimate for the December unemployment rate had stood at about 11 per cent.

The sharp decline last month will come as a considerable relief to the Keating government.

There has been strong pressure from the country's powerful trade union lobby and Labor party caucus for action to be taken to address the jobless problem.

Even the coalition opposition said it "welcomed the recent improvement in the employment situation," although Mr Alexander Downer, shadow treasurer, added that "a substantial improvement in unemployment will require increasing levels of investment and consumer expenditure in the economy.

"It is crucial the government keep in perspective the severity of the unemployment problem that still exists in Australia, and tailor economic policy to reflect this," he added, pointing to the 6.4 per cent unemployment rate in the US.

The December figures, which represent the fourth straight month of jobs growth, showed that 23,200 new jobs were created last month, while the "participation rate", the percentage of working-age population either in a job or actively looking for one, eased slightly from 63.2 per cent to 63 per cent.

Smoke still obscures the outlook for Sydney

The worst may not be over, nor is it yet clear how much damage has been caused by the fires, writes **Nikki Tait**

A week ago, Number 47 Winchester Avenue was a comfortable family house in one of Sydney's affluent North Shore suburbs. Today it is a charred wreck, razed to its foundations. The owners have fled, and only the ornamental plant-holders – which, bizarrely, survived the weekend's bush-fires undamaged – hint at the home that once was.

A few yards down the road, Number 53 has been luckier. The low-slung residence is still intact, although the weekend blaze licked at its doors. However, while the building was once perched on a leafy hillside, its outlook now comprises burnt undergrowth and blackened trees.

A smell of charcoal hangs in the air, and carpet-cleaning vans line the street. "At least, we're still standing," remarks one resident stoically, as she scrubs at matting in the 30-degree heat.

These inhabitants of West Lindfield are only a small portion of the New South Wales residents totting up damage from the past week's bush-fires. The infernos – the worst to hit the state in more than a century – have left four people dead, several hundred injured, and almost 200 buildings destroyed.

Viewed from the air, the Royal National Park, a 15,000-hectare expanse just to the south of Sydney, resembles a huge, black smudge. Across the state, more than 600,000 hectares are reckoned to have burnt.

Even now it is hard to say with any certainty that the worst is over. All week the authorities have urged against complacency, and yesterday the NSW Bush Fire Services warned that the situation "remains fairly volatile". More than 100 fires are still burning, although half are not viewed as dangerous, and the main focus has shifted away from Sydney to the Gosper Mountain/Wollemi National Park area to the north of the city.

Weather forecasts offer only moderate encouragement. While storms are predicted, they are not expected to have a significant dousing effect – and lightning strikes could yet hamper the fire-fighters' task. A smoke-related haze hangs across Sydney, pushing pollution indices to about 10 times their normal level.

Meanwhile, questions about New South Wales' handling of the disaster are already being asked. No one queries the dedication and skill with which fire-fighters tackled the blazes, but there are suggestions that inadequate forward preparation allowed the disaster to get out of hand.

The problem is that NSW rarely suffers from long, dry spells, and the 10-day stretch which led up to this week's fires was highly unusual. Nevertheless, in a 1992-93 report, the state's department of bush fire services warned that other government agencies should review their fire prevention and public education strategies.

Mr Phil Koperberg, commissioner of the NSW Bush Fire Services, added that he was "duty bound to express concern" about the lack of action being taken to reduce hazards. He pointed out that much of the eastern part of the state was heavily forested and produced "high levels of combustible material".

"There continues to be an alarming downturn in both the quantity and quality of those elements of fire management practices designed to reduce the amount of such fuels," he suggested.

This week both Mr Koperberg and Mr Terry Griffiths, the NSW police minister, played down this prophetic caution – saying that no one had urged an urgent response, and that immediate action would have been impossible, given the approaching summer season, anyway. But this rejoinder has not deterred calls for a reassessment of NSW's fire-management practices. On Wednesday Mr Griffiths conceded that a review will almost certainly take place.

But, as the damage assessment is made, a few brighter spots are emerging. Estimates of the cost to the insurance industry are being scaled back, for example. The Insurance Council of Australia, the main industry group, said yesterday it now expected insured claims to total between A$50m (£24m) and A$100m, with most of this stemming from residential, rather than commercial, policies. To date, ICA members report about 377 claims, for an expected payout of A$40m.

This compares with estimates earlier in the week of A$150m, and contrasts favourably with other recent catastrophes. The 1983 "Ash Wednesday" fires in Victoria and South Australia, for example, cost insurers about A$400m. In the US, Hurricane Andrew – which ripped through Florida and Louisiana in August 1992 and was the nation's costliest disaster – brought a insurance bill of US$15bn (£10bn).

That said, insurers admit that it is still hard to assess the degree to which affected homeowners may have been either under-insured or without insurance altogether. The ICA reckons that about 10 per cent of Australians lack property insurance, but acknowledges that the figure can vary enormously between areas.

"It's too early to make an assessment," commented one official. He added that member companies had received "hundreds of phone-calls" from residents in both Sydney and Melbourne, checking up on coverage levels for the future.

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NEWS: THE AMERICAS

Lobbyists bombard Clinton health plan with heavy criticism

By George Graham in Washington

Lobbying against President Bill Clinton's health care reform plan is intensifying as Congress prepares to return to Washington this month for a session likely to be dominated by health legislation.

A group of right-wing economists – including Professor Milton Friedman, a monetarist Nobel prize-winner, and Mr Michael Boskin, former President Bush's top economic adviser – yesterday issued a letter attacking any inclusion of price controls in a reform plan. "Your plan sets the fees charged by doctors and hospitals, caps annual spending on health care, limits insurance premiums and imposes price limitations on new and existing drugs," the 565 economists said.

Mr Alan Blinder, a member of the White House council of economic advisers, retorted that market incentives and competition formed the first line of defence in the administration plan, with caps on the growth of medical spending serving only as a back-up.

But Professor Alain Enthoven, the Stanford University economist whose concept of managed competition provided the germ for Mr Clinton's plan, said separately that the plan was flawed by the inclusion of price controls.

Also, the New York Times reported that the American Medical Association was circulating to other medical lobbying groups a list of 37 changes it wants in the Clinton plan, including demands for an exemption for doctors from anti-trust laws and the elimination of curbs on doctors' fees.

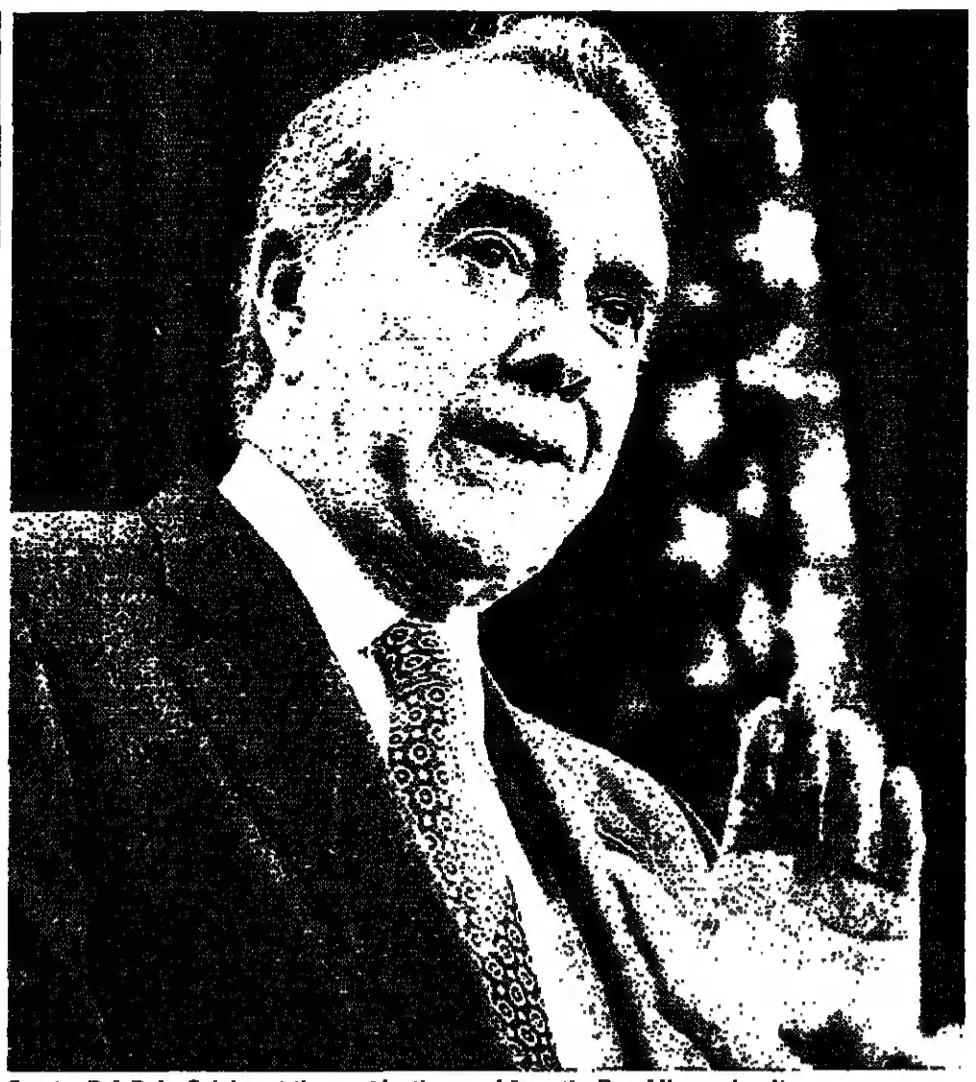
The AMA has been ambivalent about Mr Clinton's reform plan, backing away at its half-yearly congress last month from earlier support for the idea of obliging US employers to pay most of the cost of their employees' health insurance – the central financing plank of the Clinton plan.

But associations of general practitioners, paediatricians and nurses have been much more enthusiastic about a reform plan that is expected to shift earnings away from the specialists who dominate US medical practice.

The employer mandate is also expected to be the main target for attack by Republicans and centre-right Democrats when the reform legislation is debated in Congress.

Doubts about core elements of the plan could undermine Congressional enthusiasm for passing any kind of ambitious reform in this election year. Some Republicans are already arguing that there is no urgent need for sweeping reform.

White House officials were dismayed when Senator Pat Moynihan, Democratic chairman of the Senate finance committee, also declared last weekend that there was no health care crisis, insisting that he would not allow welfare reform to be pushed aside in favour of health legislation.



Senator Bob Dole: Sniping at the president's record from the Republican minority Picture: AP

Black governor quits politics in surprise move

By George Graham in Washington

Virginia Democrats had been bracing themselves for a brawl in the primary for this year's Senate election, but Governor Doug Wilder's surprise withdrawal from politics leaves the way clear for incumbent Senator Chuck Robb to win his party's nomination.

Mr Wilder, who became the first elected black governor in the US in 1989, will leave office this weekend – Virginia law allows only a single term – but no-one anticipated he would leave politics.

In a farewell speech he said the governorship had given him "the luxury of political zenith I never imagined." His election in 1989 was a striking example of a black candidate building a multi-racial electoral coalition, even in a southern state such as Virginia.

His efforts to move on to national politics proved less successful and his candidacy for the Democratic presidential nomination in 1992 quickly fizzled out.

In Virginia, Mr Wilder established a record as a fiscal conservative, steering the state through a budget crisis without raising taxes. He also succeeded last year in winning passage of gun control legislation, no small feat in a state traditionally one of the easiest places to buy a gun in the eastern US.

Sometimes he spoke with real fire on broad social issues, but Mr Wilder often seemed to be driven less by political conviction than by petty resentment, especially in his long feud with Mr Robb.

Mr Robb now seems the overwhelming favourite to win this year's Democratic senate nomination, but he still faces an uphill race for re-election. Once the most golden of Democratic presidential prospects, Mr Robb is now irredeemably branded as the man who claims he "only" had a nude massage from a beauty queen.

His likely Republican opponent in the election for Virginia's senate seat, Mr Oliver North, is, like Mr Robb, a decorated former Marine, but has drawbacks of his own.

Mr North's conviction on three felony charges arising from the Iran-Contra arms-for-hostages affair was overturned on the grounds that his trial was tainted by earlier testimony that he had given to Congress under a grant of immunity.

SALEROOM

Strong showing for Old Masters in NY

By Antony Thorncroft

The first major art sale of 1994, at Christie's in New York on Wednesday, confirmed that demand for top-quality antiques is becoming steadily stronger. The auction of Old Master paintings totalled \$15m (£10m) and was 90 per cent sold by value.

Highest price was the \$2.6m paid for a still life of fruit and flowers by the Dutch 18th century artist Jan Van Huysum. Its top pre-sale estimate had been \$1.5m.

One of the last major works by the French artist Louis Boilly, who died in 1845, entitled "A Carnival on the Boulevard of Crime", sold for \$937,500. It shows low life in the Boulevard de Temple in Paris which had a reputation for pleasure.

A still life of fruit and marigolds by the 17th century Valencian artist Tomás Hiepes, estimated at up to \$80,000, sold for \$772,500, while a typical Roman vista by Panini was at the top of its estimate, selling for \$640,500.

"We are delighted with the results," said Rachel Kaminsky, head of Christie's Old Master department. "Many lots sold well above their estimates and the market overall appears to be much stronger than this time last year".

Colombian surrender hits snags

Negotiations on a possible mass surrender by members of the world's biggest cocaine cartel have hit snags, Colombian government officials said yesterday, Reuter reports from Bogotá.

Lawyers acting for members of the Cali cartel this week reiterated their bosses' willingness to leave trafficking and surrender, but said they wanted to serve their sentences under house arrest.

Justice Minister Andrés González said: "Policy was set on the subject of surrendering; it is very clear. People who wish to take advantage of the law must surrender, must serve their sentences and must serve them in jails."

Counsel decision takes heat off White House

By George Graham

President Bill Clinton's request for the appointment of a special counsel to investigate his involvement with the Whitewater property venture and the bankrupt Madison Guaranty savings and loan entity appeared yesterday to have drawn some of the sting from the controversy, at least temporarily.

Some of Mr Clinton's Republican foes kept up their attack: Senator Robert Dole, who only a few days ago was urging Ms Janet Reno, the attorney-general, to appoint a special counsel, turned around and complained that her decision to do so, at the White House's request, showed her lack of independence.

Mr Dole had promised "no second-guessing" on his part if Ms Reno were to appoint a special counsel.

Late on Wednesday, though, he changed tack by pressing for a Congressional select committee to investigate Whitewater – a suggestion seen as having virtually no chance of approval from the Democratic majority, so long as Ms Reno's choice of counsel is regarded as acceptable.

Mr Clinton has tersely brushed off questions about Whitewater, which have distracted attention from his summit meeting with Russian President Boris Yeltsin this week in Moscow.

Ms Reno declined to comment on the scope of the investigation, saying that to do so could compromise the independence of the counsel she is to name.

Among the questions that have been raised, however, are those concerning possible influence by Mr Clinton over thesupervision of Madison, whose bankruptcy cost the government over \$50m for the reimbursement of federally insured deposits, and the possible channelling of money from Madison to Whitewater or to Mr Clinton's campaign funds.

Amnesty attacks US over death penalty

Amnesty International accuses the US of executing innocent and mentally ill people, in a report to be released today, Reuter reports in London.

The death penalty in the US was arbitrary, racist and more expensive than imprisonment, the human rights group said. It has written to President Bill Clinton calling for an urgent presidential commission into the use of the death penalty.

The London-based group highlighted ways in which the penalty was used. One man on death row in the US was cleared last year but other innocent people had gone to the electric chair, Amnesty said. It criticised the US for executing people in the last five years for crimes committed when they were minors.

Amnesty referred to what it called the ingrained racism of the death penalty: "40 per cent of death row prisoners are black, compared to just 12 per cent of the population."

It said also more than 50 mentally of ill or impaired prisoners have been executed since 1982.

NEWS: WORLD TRADE

Japanese warning on fibre imports

Japan's synthetic fibre association may demand emergency import restrictions, its chairman warned yesterday, writes Paul Abrahams in Tokyo.

Mr Reiichi Yumikura, who is also president of Asahi Chemical, a large fibre manufacturer, said the association was considering restrictions because imports of polyester were damaging domestic industry. Japan's fibres and textiles industry has been badly hit by recession and low-cost competitors in east and south-east Asia.

Macedonia telecoms

Macedonia is get an Ecu15m (£11m) grant from the European Bank for Reconstruction and Development to help modernise its telecommunications, writes Kerin Hope.

The former Yugoslav republic plans to spend about ECU6m on a 400km fibre optic cable link with Tirana and Sofia as part of a new trans-Balkan telecoms highway. The project, to be completed by year-end, will provide high-speed digital telephone connections between Italy, Albania, Macedonia, Bulgaria and Turkey through a 1,200km fibre optic cable.

Macedonian PTT officials said the rest of the EBRD funding will cover purchase of a new Earth station for satellite connections and a digital telephone exchange for Skopje, the capital.

Malaysian deal

Asea Brown Boveri, the Swiss-Swedish engineering group, has won a \$430m (£286m) contract to build a turnkey 720MW combined-cycle power plant at Kuala Langat near Kuala Lumpur, writes Andrew Baxter.

The contract was placed by Genting Sanyen Power, a Malaysian independent power producer, and underlines the increasing importance of IPPs in the rapidly growing Asian power market. ABB has also signed an operation and maintenance contract with Genting.

Latin Americans divided over what Brussels says is its 'last' offer

EU turns screw in banana row

By David Dodwell, World Trade Editor

Latin American banana exporters meeting in Costa Rica were yesterday divided over whether to bow to intense European Union pressure to accept Europe's proposed new banana import regime.

Acceptance would end a two-and-a-half year row that has sullied relations between Latin America and Europe. The row has also embarrassed the EU by exposing its preferential trading arrangements with former colonies as illegal under the General Agreement on Tariffs and Trade.

It would offer several Latin American exporters improved quotas in Europe's protected banana market, but would legitimise a quota-based regime at a time when the Uruguay Round agreement on global trade liberalisation, finalised a month ago, has demanded all quotas be converted to tariffs as a first step to elimination of protection.

The issue has come to a head this weekend because of the imminent release of a Gatt panel report on a complaint from five Latin American countries attacking Europe's banana regime as illegal.

European Commissioners Marin (left) and Brittan: Stern letter

A hard-hitting first panel report, released in July last year, upheld the Latin American complaints and ruled that the Lomé convention of preferential trading arrangements between EU members and their former colonies could not be defended as a free trade agreement, or customs union.

In a letter to the trade ministers of Colombia, Costa Rica, Venezuela, Guatemala and Nicaragua, unprecedentedly signed jointly by three EU commissioners – Mr Manuel Marin, commissioner for developing countries, Sir Leon Brittan, trade commissioner, and Mr René Steichen, agriculture commissioner – the Latin Americans were warned that the new quota offer tabled on December 14 in the final stages of the Uruguay Round negotiation would not be improved, and would be withdrawn if it was not accepted before the Gatt panel report is published.

"A decision ... is now very urgent," the letter says. "Once the draft panel report is sent to the parties involved ... the offer of December 14 could not be maintained."

Main beneficiaries of the new quota offer would be Costa Rica, which would see its share of the 2.1m tonne quota for 1994 rise to 23.4 per cent from 19 per cent in 1992, Colombia, which would see a 0.8 per cent rise to 22 per cent over the same period, and Nicaragua, its 1992 share of 1.1 per cent rising to 1.9 per cent.

The main casualty would be Ecuador, which strategically drove its exports up to a peak of 27.7 per cent of EU imports in 1992, in the hope of capturing a larger quota. Its share would be 20.2 per cent.

Of the five Gatt complainants, Guatemala chose to be absent from the meeting in Costa Rica yesterday and appears reluctant to accept the EU ultimatum.

A Brussels-based Latin American ambassador said yesterday: "The deal is not perfect, but it goes a long way to meeting our objectives of better market access."

The EC Banana Trade Association condemned the EU ultimatum as limiting commercial choice, imposing higher costs, and encouraging over-production in Central America.

Exporter hope on changing insurance

By Andrew Hill in Brussels

European Union exporters are optimistic about their chances of forcing amendments to plans to harmonise insurance regimes governing medium- and long-term export credit, following a meeting with the European Commission.

But Commission officials warned yesterday that it would be difficult at this late stage to change the minds of national governments.

Member states' experts have been working on recommendations for two-and-a-half years, with the aim of eliminating distortions to trade caused by differences between export credit insurance regimes. The Commission is poised to absorb their work into a draft proposal, which would eventually be returned to EU members for formal approval.

A delegation of exporters, led by Mr Keith Johnson, chairman of the British Exporters' Association, met Commission officials on Wednesday. He said yesterday that it was "a very, very positive meeting".

US puts weight behind Third World labour

By Nancy Dunne in Washington

The US government has taken up the case of children in Thailand who labour in back-alley sweatshops assembling and packaging goods.

US officials say that threats made by the US Trade Representative to eliminate duty-free status on Thai goods, and on imports from of other developing countries, under the US Generalised System of Preferences GSP), have produced "concrete actions" on labour conditions throughout the Third World.

In a recent report, Mr Mickey Kantor, trade representative, noted with satisfaction that the Thai government has approved draft legislation which brings worker rights "closer to international norms".

Final enactment is expected before the next session of the Thai parliament ends in late July. Meanwhile, Mr Kantor's office will be monitoring progress.

It is also watching in Malawi, Guatemala, El Salvador, Indonesia and other countries where labour organisers are often jailed or murdered, where the growth of unions is curbed, where workers are exploited and ill-treated, and where conditions are unnecessarily hazardous.

For the past decade, US law has required the trade representative to use GSP benefits to press for improvement in workers' rights in developing countries. The law was passed despite objections in the 1980s of the Reagan administration, which never seriously attempted to implement it unless unfriendly governments were the accused.

The Bush administration improved enforcement, fearing a loss of flexibility when the GSP came up for Congressional renewal. But it investigated labour petitions with nothing like the enthusiasm it displayed in pursuing violators of intellectual property rights.

Activity has quickened with the arrival of Mr Kantor as trade representative under the Clinton administration which began a year ago. He began his law career helping migrant farm workers. Cases filed at the trade agency by labour and human rights groups are now seriously investigated and programmes have been set up to prod various governments into labour rights improvements.

In its most recent review, the representative's office closed cases against Costa Rica and Paraguay, these having enacted labour rights legislation. It commended Malawi's release of a labour leader, Mr Chakufwa Chihana, from prison and noted that free union elections are scheduled there for early this year.

"We are terminating the review on the basis of these actions, with the expectation that union elections will be free and fair and conducted on schedule," Mr Kantor said, adding a warning that any reversal of this trend would lead the US to reopen the case.

The representative gave Guatemala six months to continue progress in training and hiring new labour inspectors, and in reducing the backlog of unions applying for formal recognition. Oman, too, was given a further six months to demonstrate progress, after it had agreed to joint the International Labour Organisation and begun to revise its labour laws.

Mr Kantor said a case against El Salvador could be dropped soon if, as expected, it passes revised labour legislation before the end of the current legislative session in March.

Although trade officials complain they are not being given sufficient credit, human rights and labour activists say Mr Kantor still allows foreign policy considerations to play a role in his office's findings.

"In countries like Mexico, facts fly out the window," says Mr Pharis Harvey, executive director of the International Labour Rights Education and Research Fund.

However, he added, labour groups are at least getting the same "respect" from trade officials as business representatives. "We are no longer seen as something akin to plague of locusts."

Germany to relax dual-use curbs

By Ariane Genillard in Bonn

The German cabinet yesterday approved a series of proposals to pave the way for Germany to comply with European rules on the export of equipment which could be used for military purposes.

The move illustrates the willingness of the German government to allow German companies to export dual use industrial goods which can potentially be used for both civilian and defence purposes.

Germany and Britain have some of the strictest export rules for dual-use goods in Europe. Germany tightened its legislation three years ago after German chemical companies were found to have been exporting to goods to Libya which were used to produce chemical weapons.

German companies have been lobbying to have such strict requirements relaxed, arguing that they are placing German exporters at a disadvantage.

Members of the ruling Christian Democratic Union (CDU), both in the parliament and in the government, have increasingly thrown their weight behind a relaxation of arms exports rules.

The cabinet proposals aim to change the German jurisdiction so it can be adapted to an EU directive on the export of dual-use goods. The directive, currently under discussion in Brussels, is expected to follow less stringent requirements applied by other EU states.

C&W consortium wins Latvian telecom deal

By Andrew Adonis in London

The Latvian government will today award a contract to modernise the country's telecommunications network to a consortium headed by Cable & Wireless, the UK telecommunications group.

The contract includes the privatisation of Lattelekom, the Latvian state operator. In return for a guaranteed \$160m (£108.10m) of investment over the next three years, the consortium will take a 49 per cent stake in the company.

The deal is the first internationally-tendered privatisation of a state telecommunications operator in the former Soviet Union. It follows the partial privatisation of Matav, the Hungarian state operator, last month, which was the first in the former eastern bloc.

C&W has a 70 per cent stake in the Latvian consortium; Telecom Finland, the Finnish state-owned operator, the other 30 per cent. The two defeated a bid by Deutsche Telekom, the German state operator, which won the Matav contract as head of consortium from which C&W withdrew at a late stage.

C&W and Telecom Finland have agreed to carry through a 10-year modernisation plan to include the installation of at least 650,000 new digital phone lines, almost doubling Latvia's number of phone lines.

Although Latvia has one of the former Soviet Union's more extensive phone networks, its number of lines per head is barely half that in the UK and the equipment is antiquated. A year ago there was a 170,000-long waiting list for new lines.

C&W's largest business is Hong Kong Telecom. The Latvian contract strengthens its north European base. It has an 80 per cent stake in the second national network in the UK (Mercury), and a 39.9 per cent stake in the second carrier in Sweden (Tele2).

It also has mobile phone activities in Belarus, and a 40 per cent stake in a company providing international services in St Petersburg.

Lord Young, C&W chairman, said he expected the Latvian privatisation to set a precedent for the other Baltic states.

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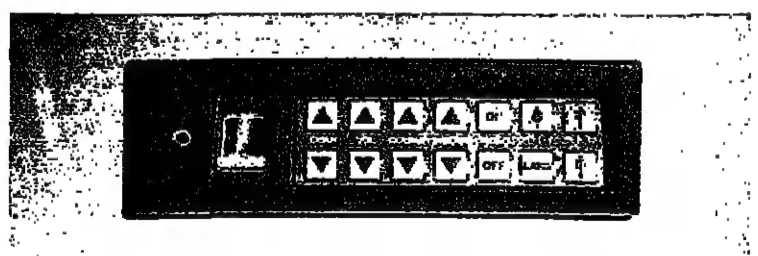
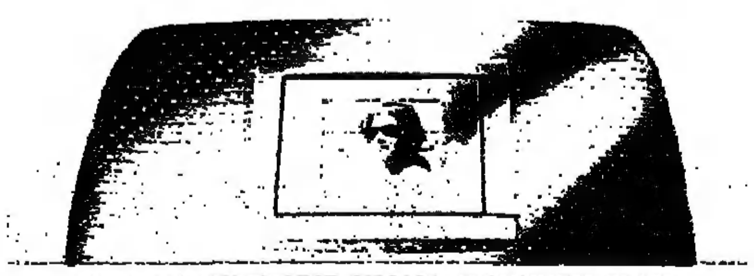
Then again, some like it old. So there's the movie classics channel. And for those who like it silly, the comedy channel. Or there's sports. Or the arts. Or current affairs. And just for luck, another movie channel. All at the touch of a button on your own personal control pad, and all with pin-sharp picture clarity.

It's funny how when you've been bitten by Dracula, loved and lost in La Bohème and played with



49 HOURS OF ENTERTAINMENT ACROSS 8 CHANNELS.



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NEWS: UK

Bank set to alter market practices

By Sara Webb

The Bank of England is likely to introduce changes in the sterling money market and UK government bond market following yesterday's release of two reports criticising some existing arrangements.

The reports say the Bank of England must make changes to its sterling money market operations if London is to remain competitive as a financial centre and fight off rival claims from other European cities.

In the reports, funded by the Corporation of London, Mr Norbert Schnadt, of the financial markets group at the London School of Economics, blames the Bank of England's mode of operation in the money market for recent volatility in the overnight interest rate – it has ranged from about 4.5 per cent to nearly 20 per cent.

Mr Schnadt's main recommendations are:

- The bank should replace outright bill purchases in its money market operations with repurchase agreements (repos). The bank would then lend cash against a wider set of eligible securities, including UK government bonds (gilts), as collateral.
- The bank should extend the ability to borrow and lend gilts to a wider range of financial institutions, with the aim of establishing an "open gilt repo system".
- Treasury receipts should be paid into secured bank accounts rather than into the Exchequer accounts at the bank, to reduce the size of the money market shortage and make it more predictable.
- Britain should not introduce positive minimum reserve requirements.

The result would be to allow a wider set of financial institutions and instruments to be involved in the bank's operations, while making the money market shortage more predictable and reducing the volatility of the overnight rate.

The bank says it is already working on some of the concerns expressed. It has already taken steps to reduce money market shortages by introducing a fortnightly "sale and repurchase", or gilt repo facility with effect from January 20.

Mr Schnadt suggests that the next logical step would be for the bank to make more frequent use of the repo facility, which should make the idea of an open gilt repo more prominent and help establish a "master" or standard repo agreement.

The bank seems unlikely to do this, and may instead move towards an open gilt repo system. There are concerns over whether banks and building societies are big enough holders of gilts for this step to be feasible, so the bank might have to consider ways to improve the attractions of gilts for these holders, for example by having more short-dated issues or by issuing floating rate gilts.

The other step the bank seems likely to introduce concerns the banks' reserve requirements (the amounts the clearers must maintain at the Bank of England). At present, they must maintain zero reserve requirements daily. The bank may consider an "averaging system," with banks required to maintain – on average – a zero balance in their reserve accounts over a monthly period.

The Domestic Money Markets of the UK, France, Germany and the US, and European Monetary Union and the Sterling Money Market

LEGAL NOTICES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re
MACMILLAN, INC., et al.,
Debtors.

Chapter 11
Case No. 93 B 45625 (TLB)
Jointly Administered

NOTICE OF ENTRY OF AN ORDER (I) APPROVING DEBTORS' DISCLOSURE STATEMENT, (II) AUTHORIZING TIME AND MANNER FOR SOLICITATION OF ACCEPTANCES OR REJECTIONS OF DEBTORS' PREPACKAGED JOINT PLAN OF REORGANIZATION AND (III) ESTABLISHING FORM AND MANNER OF CERTAIN NOTICES RELATING TO THE FOREGOING

PLEASE TAKE NOTICE that on January 7, 1994, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order (i) Approving Debtors' Disclosure Statement, (ii) Authorizing Time and Manner for Solicitation of Acceptances or Rejections of Debtors' Prepackaged Joint Plan of Reorganization and (iii) Establishing Form and Manner of Certain Notices Relating to the Foregoing (the "Disclosure Statement Approval Order")

A. Approval of Disclosure Statement

1. In accordance with section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") and Rule 3017(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the proposed Disclosure Statement in Relation to the Prepackaged Joint Plan of Reorganization of Macmillan, Inc., Macmillan College Publishing, Inc., Jossey-Bass, Inc., Publishers, and MCC LDM, Inc. was approved in its entirety (as so approved, the "Approved Disclosure Statement") as containing "adequate information" with respect to the Prepackaged Joint Plan of Reorganization of Macmillan, Inc., Macmillan College Publishing, Inc., Jossey-Bass, Inc., Publishers, and MCC LDM, Inc. (the "Prepackaged Plan") pursuant to section 1125(a) of the Bankruptcy Code

B. Procedures for Voting, Approval of Form of Ballot, Scheduling Confirmation Hearing and Objections Thereto

2. The Debtors will be conducting post-petition solicitation of acceptances or rejections to the Prepackaged Plan only to the extent that Class 3E claims are filed with the Court by January 12, 1994 (the "Bar Date")

3. In the event that any Class 3E claims are filed by the Bar Date, the Debtors were authorized to solicit acceptances or rejections of the Prepackaged Plan pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rules 3017 and 3018 in the manner set forth below. Holders of Class 3E claims, to the extent that any such Class 3E claims are filed by the Bar Date, are the only impaired claims entitled to receive ballots to vote to accept or reject the Prepackaged Plan

4. All classes of claims and equity interests, other than Class 3E claims, are either unimpaired and therefore not entitled to vote on the Prepackaged Plan, or accepted the Prepackaged Plan prior to the commencement of the prepackaged chapter 11 cases and for purposes of confirmation of the Prepackaged Plan have accepted the Prepackaged Plan.

5. As of the date of this Notice, no Class 3E claims are known to the Debtors. Acceptances of the Prepackaged Plan are being solicited from holders of any Class 3E claims filed on or before the Bar Date by transmitting by regular mail, as such Class 3E claims become known to the Debtors and not later than January 18, 1994, the Disclosure Statement Approval Order, the Approved Disclosure Statement, the Prepackaged Plan, and a ballot, along with a pre-addressed envelope

6. All creditors holding Class 3E claims as of the Bar Date should complete the ballot, indicating a vote accepting or rejecting the Prepackaged Plan. Pursuant to Bankruptcy Rule 3017(c), in order to be considered as acceptances or rejections of the Prepackaged Plan, all ballots must be properly completed, executed and returned to Macmillan, Inc. et al., c/o Donlin, Recano & Company, Inc., P.O. Box 2034, Murray Hill Station, New York, New York 10156-0701, so as to be received no later than February 7, 1994 (the "Ballot Deadline"). A ballot received by the Debtors can only be changed after the Ballot Deadline by order of this Court

7. Each holder of a Class 3E claim shall vote on the Prepackaged Plan by ballot only. Any statement or material other than the ballot on the Prepackaged Plan will be disregarded and not returned

8. The votes of creditors on the Prepackaged Plan shall be counted by Donlin, Recano & Company, Inc., who will certify the results to this Court.

9. To the extent that there are no Class 3E Creditors, such that the Debtors will not be conducting any post-petition solicitation of acceptances or rejections to the Prepackaged Plan, then in accordance with the Scheduling Order dated November 10, 1993, a hearing will be held on February 1, 1994 at 10:00 a.m., or as soon thereafter as counsel may be heard, before the Honorable Tina L. Brozman, United States Bankruptcy Judge, in Room 723 of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408 to consider confirmation of the Prepackaged Plan and any other matter that may properly come before the Court at the time (the "Confirmation Hearing"). To the extent that there are Class 3E Creditors, such that the Debtors will be conducting post-petition solicitation of acceptances or rejections to the Prepackaged Plan of Class 3E Creditors, the Confirmation Hearing otherwise scheduled for February 1, 1994 will be adjourned to February 17, 1994 at 10:00 a.m. Such adjournment will be made by an announcement made in open court on February 1, 1994. The Confirmation Hearing may be further adjourned from time to time without further notice other than an announcement of the adjourned date or dates at the Confirmation Hearing or at an adjourned hearing thereof

10. The following procedures, which were established pursuant to the Scheduling Order, shall be used in connection with the manner and filing of objections, if any, to confirmation of the Prepackaged Plan and shall be modified as set forth below only if the Debtors are conducting post-petition solicitation of Class 3E Creditors

a. All direct evidence to be presented in connection with the Confirmation Hearing must be in the form of sworn declarations or affidavits (the "Evidence"). Any Evidence (including any objection, comment, or response) and any memoranda of law relating to confirmation of the Prepackaged Plan must be in writing and shall be filed with the Court and served in accordance with the deadlines set forth below:

(i) On or before January 25, 1994 by 5:00 p.m., any memorandum of law and any Evidence of the Debtors concerning approval of the confirmation of the Prepackaged Plan must be filed with the Court and served by first-class mail on (i) the United States Trustee, (ii) the Purchaser's counsel, Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, Attention: Lillian Kraemer, Esq., and (iii) all persons or entities who have filed notices of appearance pursuant to section 1109 of the Bankruptcy Code, or who have, in writing, requested notice pursuant to Bankruptcy Rule 2002

(ii) On or before January 25, 1994 by 5:00 p.m. (February 7, 1994 by 5:00 p.m. only for Class 3E Creditors), the Evidence of any party objecting to confirmation of the Prepackaged Plan and any memorandum of law must be filed with the Court and served upon (i) the Office of the United States Trustee, Southern District of New York, 80 Broad Street, 3rd Floor, New York, New York 10004, (ii) the Debtors' counsel, Milbank, Tweed, Hadley & McCloy, 1 Chase Manhattan Plaza, New York, New York 10005, Attention: John J. Jerome, Esq., and (iii) the Purchaser's counsel, Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, Attention: Lillian Kraemer, Esq. so that it is received by said parties and the Court on or before such date and time

(iii) On or before January 28, 1994 by 5:00 p.m. (February 11, 1994 by 5:00 p.m. to the extent that the Debtors are conducting post-petition solicitation of Class 3E Creditors), any reply of the Debtors to objections to confirmation of the Prepackaged Plan (if the Debtors choose to file a reply) and any reply of any party to the Debtors' Evidence or memorandum of law supporting confirmation of the Prepackaged Plan (if such party chooses to file a reply) must be filed with the Court and served upon the Office of the United States Trustee, Debtors' counsel, Purchaser's counsel, and any parties who have filed such objections, as the case may be, so that it is received by said parties and the Court on or before such date and time.

b. Other than testimony presented to rebut the aforementioned pleadings, no direct testimony will be admissible into evidence at the Confirmation Hearing unless it has first been reduced to a written declaration or affidavit and filed and served pursuant to the procedures set forth above

c. The testimony of any declarant or affiant who does not present himself or herself for cross-examination at the Confirmation Hearing will be stricken from the record and will not be considered as testimony in determining contested matters at the Confirmation Hearing

d. Any objections, comments, or responses not timely filed and served will be stricken from the record and will not be considered as testimony in determining contested matters at the Confirmation Hearing

11. In accordance with Bankruptcy Rule 3020(b)(1), the following are designated as entities upon which any objections, comments, or responses to confirmation of the Prepackaged Plan and supporting Evidence and memoranda of law must be served: (i) counsel for the Debtors, Milbank, Tweed, Hadley & McCloy, 1 Chase Manhattan Plaza, New York, New York 10005, Attention: John J. Jerome, Esq., (ii) counsel for Purchaser, Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, Attention: Lillian Kraemer, Esq., and (iii) the United States Trustee, Office of the United States Trustee, Southern District of New York, 80 Broad Street, 3rd Floor, New York, New York 10004.

Dated: New York, New York
January 7, 1994

BY ORDER OF THE UNITED STATES BANKRUPTCY COURT OF THE SOUTHERN DISTRICT OF NEW YORK
Honorable Tina L. Brozman
United States Bankruptcy Judge

Milbank, Tweed, Hadley & McCloy
1 Chase Manhattan Plaza
New York, NY 10005
(212) 530-5000
Attention: John J. Jerome, Esq
Attorneys for the Debtors and Debtors in Possession

Reflected glory makes Westminster a prize

By Jim Kelly

Westminster city council, often described as the Conservative party's local government "flagship", owes most of its prominence to its close geographical relationship to national government.

Historically that government was both temporal and ecclesiastical and Westminster was, and remains, the heart of both. The council, dwarfed by such power, has always enjoyed some of its reflected glory.

Its 2,000 hectares contain, in addition to the Houses of Parliament, both the residence of the prime minister and the Queen, and the government's main administrative area of Whitehall.

Westminster Abbey, the Roman Catholic Westminster Cathedral and the London Central Mosque all stand within the borough – a legacy of the division of powers within the capital between the cities of London and Westminster. "The City", just a mile down river from, has kept its business and commercial powers while government and church have remained upstream.

But Westminster, far larger than the "Square Mile" of The City, also contains the principal entertainment district of the West End, with its theatres and restaurants, and most of London's famous shops.

Westminster is also tourist London: every major underground railway and many of the major overground stations are in the borough as well as the capital's leading art galleries, parks, and gardens.

It was quite natural that MPs, many of whom live in the borough, should take an interest in the political fortunes of their local council. Equally, local councillors obviously felt a duty to win success for their parties on the doorstep of national government.

The febrile atmosphere was heightened during the lifetime of the last all-London local government authority, the Greater London Council, which contrived to have a Labour majority while national government fell to the Conservatives.

County Hall, the GLC's base on the south bank of the River Thames opposite parliament, proclaimed its affiliation by flying provocative banners and flags, easily read from the terrace of the House of Commons.

When the Tories abolished the GLC the next best prize was Westminster. Labour, in the local elections of 1990, pushed hard for the few seats needed to take power. The prize, control of the drab council headquarters in Victoria Street, was, according to the auditor, attractive enough to justify gerrymandering.

POWER CENTRE: The borough of Westminster includes the Houses of Parliament and Westminster Abbey, foreground, and Westminster Cathedral, background

Auditor finds species of gerrymander

John Authers on how councillors in Westminster are alleged to have moved sympathetic voters into public housing in order to swing a local election

Westminster City Council yesterday suffered arguably the most damning criticism a district auditor has ever made of an English local authority.

The Conservatives' model local government authority, had in the provisional opinion of Mr John Magill, the district auditor, been guilty of "gerrymandering" – defined by Collins dictionary as "dividing constituencies of a voting area so as to give one party an unfair advantage".

It did so through its policy of "designated sales", in which council houses were left vacant until they could be sold to middle-income families who would not otherwise have been able to buy their own home. The policy had been introduced in 1974, but only around 20 houses were sold each year.

But in 1986, the Conservatives came close to defeat in the city elections, with their overall majority slashed from 26 to only four seats. In July 1987, the housing committee decided to expand the programme radically, with around 500 sales each year.

Mr Magill's provisional charges are sweeping, but quite explicit. He believes that decision was made to move likely Conservative voters into marginal wards.

Eight "key" or battlefield wards were targeted – Bayswater, Cavendish, Hamilton Terrace, Little Venice, Millbank, St James's, Victoria and the West End.

He said: "Both the decision to increase the number of designated sales and the selection of the properties designated for sale were influenced by an irrelevant consideration, namely the electoral advantage of the majority party.

"I am minded to find as a fact that the electoral advantage of the majority party was the driving force behind the policy of increased designated sales and that that consideration was the predominant consideration which influenced both the decision to increase designated sales by 500 per annum and the selection of properties designated for sale.

"My provisional view is that the council was engaged in gerrymandering, which I am minded to find is a disgraceful and improper purpose, and not a purpose for which a local authority may act."

The attempt to gain political advantage was not the only element of the sales policy condemned by Mr Magill. Even if it had been politically neutral, his statement attacks both the consequences for the homeless in the borough, and the expense involved.

Mr Magill said in his provisional statement on the report: "No local housing authority acting reasonably would adopt a policy, the anticipated consequences of which were that the number of homeless households placed in temporary accommodation would increase by 172 each year and that the net revenue costs to the council would increase, as a result, by over £1.5m in each succeeding year on the previous year's costs."

Westminster ignored both its statutory duties to the homeless, and even failed to consider the needs of "Category A medical cases", who have been examined by the council and need to be rehoused urgently.

To 'gerrymander' derives from Elbridge Gerry, the governor of Massachusetts, who in 1812 benefited from the reshaping of an electoral district so convoluted it resembled a salamander.

According to professional valuations, the council lost £13.327m by selling the properties at a discount to their open market values. His estimate of the costs of salaries and overheads to administer the programme comes to £1.897m.

Homeless families were put into temporary hotels while council flats were left vacant awaiting a new designated buyer. The costs of accommodating them, according to Mr Magill, came to £2.088m.

The housing committee also introduced a scheme of capital grants to existing secure tenants to purchase non-council accommodation.

Mr Magill said his provisional view was that this was unlawful as the payments were not authorised by statute and such powers which the council had were exercised for a "disgraceful and improper purpose".

These grants totalled £2.604m, according to Mr Magill.

So many documents were printed as councillors tried to identify the best wards to target that Magill estimates the illegal expenditure on them at £5,000.

Westminster council continues to claim that the policy is legal, citing opinion from a barrister in its support. Mr Miles Young, the new leader of the council, said the policy was intended to boost home ownership and support social cohesion in an area of the country where property prices are artificially high.

The council claims that only 21 per cent of Westminster homes were occupied by their residents in 1981, and 35 per cent now, compared with a national average of 60 per cent. More than half of Westminster homes are valued at more than £120,000, it claims.

However, Mr Neale Coleman, the leader of the objectors who first called on Mr Magill to compile his report, claimed that details of the report, which he had studied, made it "absolutely clear" that the council's legal advice had been abused.

And Labour also claim that Westminster has expanded its policy since Mr Magill started his work 4½ years ago, to "export" the homeless by housing them in newly-built developments in outlying London boroughs such as Hillingdon, as well as the east end of London and in Essex.

It claims that in June 1993, 739 of the 1047 families accepted by the council as homeless were housed outside the borough – and the homeless, according to Labour, are less likely to vote Conservative.

- Westminster councillors could be required to answer criticism in public hearings in the autumn following the publication of the critical report from the district auditor.

After four years of investigation, the report issued yesterday in heavily edited form is still only a provisional set of findings. There will be at least several more months before a final version is released.

The auditor must then decide on grounds of "justice or the public interest" whether to hold an oral hearing and if so whether to hold it in public or private.

Consultants back CrossRail project

By John Willman, Public Policy Editor

The £2bn CrossRail project to link London's Paddington and Liverpool Street stations has been approved by consultants commissioned by the transport department to evaluate the scheme and consider proposals to reduce the cost.

The consultants' report rejects alternative routes and recommends that plans for the line should include six stations – one extra in addition to the five proposed by British Rail.

Keeping all options open for stations will make it easier to raise private finance for the project, the report concludes.

The final decision over CrossRail is expected to be taken by the cabinet next week so that the legislation needed for the project can resume its parliamentary passage.

The project is being fiercely opposed by the Treasury which is unwilling to commit more than the £64m of funds already earmarked in spending plans for the next three years. It argues that demand for transport into central London has eased and congestion declined.

However, the prime minister is coming under intense pressure to back CrossRail from business leaders and the City Corporation, the local authority for London's financial district.

Cancellation of the project would be a severe blow to London First, the business-led initiative established with government backing to promote London in the absence of a city-wide local authority.

Sports Council criticised

By James Blitz

The Sports Council, the government body charged with promoting sporting activity in Britain, has been severely censured by Whitehall auditors for poor administration of public funds and for being unaware that its leading executives had business interests which conflicted with their official duties.

In a damning report into the Sports Council's activities published last night, the National Audit Office, the government's accounting watchdog, said the Council "did not provide full transparency of the benefits and cash flows" between itself and several bodies it has set up to help administer sports grounds.

The report also said that the Council "had not established the necessary arrangements to avoid potential conflicts of duty or interest... within the Council group."

The National Audit Office listed several business ventures in which Council officials, it alleged, including the director-general and former finance director, had private interests.

But the NAO said it had discovered no evidence of financial impropriety.

The National Audit Office's report will now be passed to the Public Accounts Committee, which has announced that it will cross examine officials at a meeting on February 21.

Milk industry in disarray over plan for competition

By Deborah Hargreaves

The £3bn milk market in England and Wales was thrown into disarray earlier this week as the government delayed plans to open it up to competition.

Mrs Gillian Shephard, the agriculture minister, rejected a plan for reorganising the Milk Marketing Board into a producer's co-operative in time for the board to be abolished by April 1 this year.

The market liberalisation could now be put off until the beginning of July, or even October, with the board remaining the statutory buyer and seller of all milk until then.

This puts off the plan for dairy companies to start buying their milk directly from producers and makes it difficult for farmers to plan ahead.

Some dairies have threatened to by-pass the board from April, even though it would be technically illegal.

The uncertainty has cast a shadow over some investment plans. "While there is this insecurity in the market, it is difficult to commit money to capital investment," said Mr Roger Clarke, commercial director at MD Foods, which is holding back investment of up to £12m until the situation is clearer.

The Milk Marketing Board has to address important issues, such as its plans for selling milk in the new competitive environment, transfer of assets to the new co-op, and haulage arrangements before it can get the green light from government. The Ministry of Agriculture is then expected to put the board's plans to another consultation period which could take three months.

"Farming is a long-term business and there are enough uncertainties in it without this complicating things," said Mr George Wheeler, a dairy farmer near Worcester. The milk marketing year begins in April, when farmers make their financial plans for the coming season.

In addition, the board generally pays farmers a premium of up to 3p a litre for milk during the summer in an effort to encourage production in a slack period. Producers fear the board will abandon the practice this year in order to preserve its cashflow before it is abolished.

"I've invested heavily in timing my calving in June and July to take advantage of this payment and I don't know where I stand," said Mr Hugh Black, a dairy farmer near Hereford.

However, Board officials are trying to reassure farmers by stressing it is just a delay they face rather than any fundamental changes to the new market.

Oftel backs portability

By Andrew Adonis

Phone users will be able to take their numbers with them when they change operators, under plans announced yesterday by Oftel, the telecommunications regulator.

Mr Don Cruickshank, Oftel director general, said Oftel studies showed there was "a very strong and robust case for the introduction of phone number portability".

Competitors to British Telecommunications claim that the inability of users to take their phone numbers with them when swapping operators is a significant barrier to competition.

BT claims that the cost of allowing full number portability is large, but Mr Cruickshank said: "I am convinced that suppliers will strive to improve their services to attract new customers and to improve efficiency. This can only benefit all telecoms users".

The cost and technical arrangements for portability have still to be decided in talks between BT and other operators.

Britain in brief

Setback in Taiwan talks hits BAe jobs

British Aerospace is planning to cut a further 580 jobs in its Avro regional jet activities at Woodford, near Manchester, as part of its efforts to reduce costs and improve competitiveness in this business following the setback in its regional aircraft partnership negotiations with Taiwan.

The latest job cuts will reduce the company's regional jet workforce, currently totalling about 3,000 people, by nearly 20 per cent.

Although the company said the move had already led to cost savings of around 30 per cent, it is now seeking further cost reductions following its difficulties in negotiating a regional jet joint venture agreement with Taiwan Aerospace.

Unision agrees no-strike deal

Unison, Britain's largest union, has signed a no strikebreaking agreement with Manpower, the employment agency.

In effect the deal is something of an employment peace treaty designed to keep the relationship between the agency and the union on friendly terms.

Manpower said it would not encourage its employees to join the union but agreed that it would issue union enrolment forms at the time of interviews and "point out the benefits of union membership."

Last match company goes

The Bryant & May plant at Garston in Liverpool, the last matchmaking factory in Britain, is to close by the end of the year with the loss of 96 jobs. Swedish Match, part of the Volvo car group which owns Bryant & May, said there had been a "significant" fall in match sales in the UK over the past year.

The company said this was a result of the government's decision to remove excise duty from disposable lighters, which cost more than £1 each a year ago but are now sold at around 40p compared to a small box of matches at 12p.

Greenpeace wins hearing

Greenpeace, the environmental pressure group, won permission from the High Court to bring a legal challenge to the government's licensing of the £2.8bn Thorp nuclear reprocessing plant at Sellafield in Cumbria.

The date of the judicial review has been set for the week beginning February 7. The plant's licence comes into effect on Monday, when British Nuclear Fuels, the plant's owner, will begin moving used nuclear fuel rods stored in ponds at the plant's entrance to ponds further inside.

Shell and Esso get go-ahead

The government gave the go-ahead yesterday for Shell and Esso's £175m development of two gas finds in the southern North Sea which are part of a cluster of reservoirs in the Sole Pit area. The two discoveries contain 555bn cubic feet of gas and the first reservoir will be in production by October 1994 with the second coming on stream a year later.

Crown Life unit fined

Fines amounting to £130,000 and costs of £20,000 have been imposed by Lautro, the self-regulatory body for the life insurance industry, on Crown Financial Management, the life assurance and pensions subsidiary of Crown Life in Canada.

The fines, among the highest imposed by Lautro, are for Crown's failure to maintain responsible control of its internal affairs.

They are also for its employment of Mr Alan Joyner, who was known not to be of good character, as a sales agent.

Mr Malcolm Berryman, who became Crown's chief executive after the period of the offences, emphasised yesterday that Lautro had paid a further visit in May last year and were satisfied with the internal systems now in place.

Small companies are tipped to outperform their larger competitors in 1994, says **Vanessa Houlder**

Reversal of fortune

Last year UK property shares went through the roof. The sector topped the London stock market performance league, with a total return on capital and income of 89.2 per cent. Its performance relative to the market as a whole has rarely, if ever, been bettered.

But in the past month, property shares have faltered, posting a decline of 6 per cent relative to the market as a whole. Does this signal the end of the bull run for property shares? Or have they merely paused for breath, before resuming their headlong rise?

Analysts are divided in their views. "Property shares may have moved too far, too fast," says Mr Chris Turner of BZW, the securities house. Mr David Tunstall of stockbrokers Smith New Court is more sanguine. "There has been scope for profit taking but it doesn't alter the fundamentals which are stronger than they were nine months ago." Mr Tunstall thinks the sector is still locked into the upswing of its cycle, which, he adds, "does not dissipate overnight".

Even the optimists do not expect a repeat of last year's performance. The bull run in 1993 stemmed from a potent combination of an unexpectedly sharp improvement in the prospects for property, together with significantly improved sentiment towards the sector.

The scale of the market improvement last year took many people by surprise. At the beginning of 1993, many of the fundamental factors affecting property, were arguably poor: the tenants' market remained depressed as a result of a glut of unlet buildings, falling rents and a reluctance on the part of tenants to commit themselves to moving to new offices.

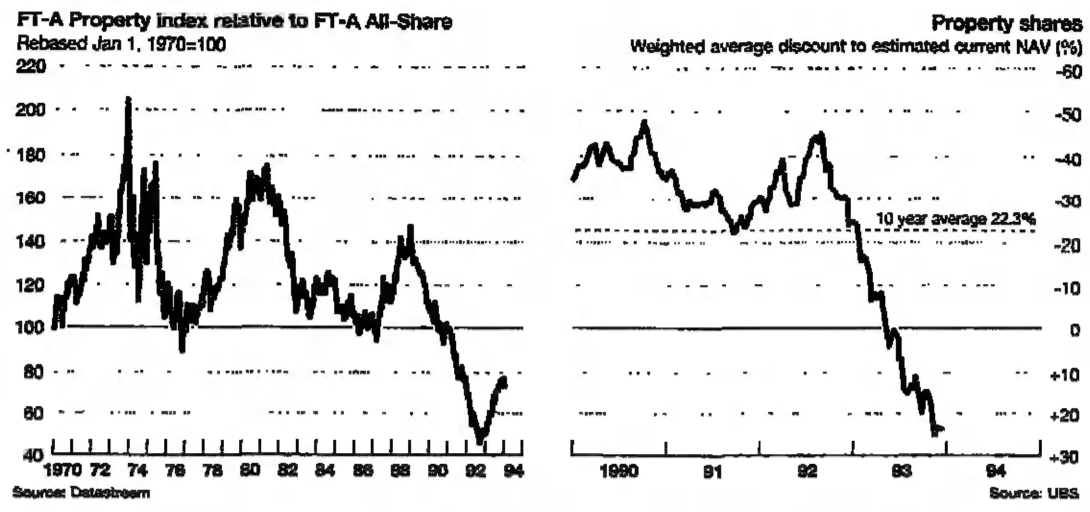
At the same time, there was concern about the impact of the gilts market on property, since the burden of financing the public sector borrowing requirement of an estimated £50bn in 1993-94, threatened to push the yield on gilts even higher.

In the event, the bond market reported a strong performance, which in turn, influenced property yields. The relationship between gilt yields and property yields is currently particularly strong. This is because investors have been focusing on the high yielding, secure income aspects of property. The prospect of rental growth re-emerging at the end of the year was an additional incentive to investors.

The result of the strong performance of the bond market was that property yields plummeted, from an average of 9.1 per cent to 7.8 per cent at the end of the year, pushing up average property values by 10.2 per cent, according to chartered surveyors Richard Ellis.

For property companies, the effects of rising asset values are, of course, greatly magnified by the level of their gearing, the ratio of borrowing to assets. Consider for instance, two companies with gearing of 100 per cent and 50 per cent respectively. A 15 per cent rise in property values would generate a rise in net asset value of 30 per cent for the first company and a rise of just 22.5 per cent for the second.

UK property: bouncing back



Not surprisingly, the best performing shares last year were generally those with above-average gearing or those that had experienced financial troubles. Greycoat topped the list with a 346 per cent gain in share price performance, followed by Development Securities, Chesterfield, Scottish Metropolitan, Wates, Allied London and British Land.

Another important factor behind the strong performance of property shares was the emergence of a premium to net asset values, an important yardstick of share performance. Traditionally shares are valued at a *discount* to net assets of more than 20 per cent, to compensate for capital gains tax liabilities and investors' lack of direct control over their assets. But investors' expectations of growth in property values over the next two years have pushed shares onto a 20 *premium* to their net asset values, according to estimates by UBS, the stockbrokers.

Investors face a difficult task in deciding whether share prices reflect a correct assessment of the improved prospects for the property market. Much depends on the trend in bond yields. "Any improvement in [property] values over the next three years will almost entirely be yield driven and therefore is critically dependent on long bond yields and a narrowing of the margin of property yields over bond yields," says Kleinwort Benson, the securities house.

But, as Kleinwort Benson points out, its forecasts of property values are highly sensitive to variations in its projections of bond yields. A forecasting error of about 100 basis points on gilts for a company that is 50 per cent geared would result in an error of more than 20 per cent on the net asset value.

Kleinwort Benson's property analysts say gilts could yield less than 6 per cent by the end of 1994 or early 1995. Others, such as BZW's Mr Turner, are more sceptical about the prospects of another significant improvement in the gilts market.

Moreover, Mr Turner thinks that property stocks may fall out of favour this year because their prospects for earnings growth are dull at a stage in the cycle when investors want to buy shares with sharply rising earnings. Already, the property sector's prospective dividend yield of about 3.7 per cent is close to that of the market as a whole. But as the prospects for earnings growth are poor, so dividend increase is likely to edge below that of the market as whole.

Mr Selwyn Jones of Credit Lyonnais Laing voices another common reservation about prospects for property shares this year. He thinks that the industry is over-optimistic about the prospects of substantial rental growth re-emerging, given a background of low inflation. He also points to the large number of prospective flotations which could dampen the market's enthusiasm for property shares.

Selectivity, therefore, may be the watchword for investing in property shares this year. For analysts, gearing, management ability and flexibility will be the primary themes behind their share choices.

Smith New Court backs Land Securities, Great Portland and Brixton Estates because of their proven management ability. Credit Lyonnais Laing believes that British Land, Bradford and Great Portland will be the best performing shares among the leading property companies in 1994; Bourne End and Helical Bar look the best value of the medium-sized stocks, it adds.

Smaller companies are tipped by some analysts to outperform their larger counterparts. UBS favours smaller companies such as Cleveland Trust, Dwyer, Five Oaks, Town Centre, PSIT and Allied London Properties. Kleinwort Benson also favours a clutch of small companies – Bradford, Burford, Frogmore, Town Centre, Asda Properties, Helical Bar, St Modwen and Shaftesbury.

Small companies are well-placed because they are generally more highly geared (at levels of between 75 per cent and 300 per cent) than their larger competitors, whose gearing is generally between 40 per cent and 80 per cent.

According to Kleinwort Benson, small companies can also benefit from greater flexibility of operation than their bigger competitors: small companies can carry out deals in an imperfect market, they can manage gearing and operate in small niches areas. "Small is beautiful," it says.

MANAGEMENT

Ronaldo Schmitz, chairman of the Metallgesellschaft supervisory board

Germany's two-tier board system has been exposed by the latest corporate débâcle, says **David Waller**

A bashing from Metall

The Metallgesellschaft fiasco has put the spotlight on Germany's traditional two-tier corporate board structure as never before.

Criticisms of the system are far from new, but they have been dramatically reinforced by the scale and unexpectedness of the losses at the country's 14th largest industrial group.

As Metallgesellschaft's 120 or so bankers yesterday deliberated whether to bail out the deeply troubled metals, mining and industrial group with a DM3.4bn (£1.32bn) refinancing package, the wider questions go beyond the immediate cause of the debácle – the massive losses run up by MG Corp, the group's US trading subsidiary. These were incurred through speculative trading on US commodities futures markets.

The broader issue is how this could have happened given the quality of the company's shareholders and the calibre of management on Metallgesellschaft's supervisory board.

Nearly 60 per cent of MG's shares are owned by the most reputable names in German finance and industry: Deutsche Bank, Dresdner Bank, the Allianz insurance group and Daimler-Benz, coupled with the illustrious outsider, the Emirate of Kuwait. As is traditional in Germany, these large shareholders are represented on the group's supervisory board – the "aufsichtsrat", whose legal duty under the two-tier system is to oversee the performance of the management board (the "vorstand").

This two-tier board system has been looked at enviously by those in the UK and the US concerned with the reform of what is broadly known as corporate governance – the relations between executive management and the external shareholders and other "stakeholders" in a corporation, such as employees. The role of external parties such as auditors and professional advisers has also come under scrutiny.

The supervisory board, comprising representatives of capital and labour in equal measure – with the chairman exercising a casting vote – is responsible for appointing executive managers, voting on major capital expenditure projects and broader strategic issues. The management board is responsible for day-to-day management.

In recent years the system has faced torrents of criticism from outsiders such as Ekkehard Wenger, a maverick professor of business studies, and Günter Ogger, who wrote a best-selling book called *Nieten in Nadelstreifen* (nitwits in pinstripes). They condemned the cosy relations between management and supervisory boards, asking "who supervises the supervisors?".

Formally subject to the control of shareholders, the twin boards had become accountable only to themselves, the critics argued. This was buttressed by the fact that German managers, with one or two exceptions, have never faced the threat of losing their jobs as a result of hostile takeovers.

Until now, the criticism was not taken seriously by senior managers, but the near-collapse of Metallgesellschaft, and the speed with which the problems materialised, have challenged this complacency in a way that earlier corporate disasters did not. The lesson is especially acute because of the high calibre of the managers on Metallgesellschaft's supervisory board.

Since March 1993 the chairman of the supervisory board has been Ronaldo Schmitz, head of corporate finance at Deutsche Bank and a former finance director of the BASF chemicals group.

His fellow board members include Gerhard Liener, finance director of Daimler-Benz, Germany's biggest industrial company, Henning Schulte-Noelle, chief executive of the Allianz colossus, and Bernhard Walter from the board of Dresdner Bank – not to mention distinguished outsiders such as Friedhelm Gieske, chief executive of the RWE energy conglomerate, and Peter Schuhmacher, chief executive of Heidelberger Zement, Germany's largest producer of building materials. There are also representatives from IG Metall and IG Chemie, respectively Germany's first and third largest unions.

The quality of these managers is second to none – yet they failed spectacularly to oversee the affairs of Metallgesellschaft, a complex group with 258 subsidiaries generating DM27bn of turnover from many business areas.

Part of the blame must lie with Schmitz, a cold-blooded finance expert with in-depth knowledge of many MG core activities. He was appointed because he was deemed the right man to curb the management style of the then chief executive, Heinz Schimmelbusch, an Austrian with a penchant for elaborate and risky diversification strategies.

Schmitz will not talk at present about his relations with Schimmelbusch and the role of the supervisory board, but press reports suggest Schmitz exercised massive pressure to force Schimmelbusch to sell off loss-making businesses (notably the Schiess machine-tools company) and to begin a belated process of rationalisation.

Only after Schimmelbusch came into line was his contract as chief executive renewed for five years by the supervisory board in November. Wolfgang Schultze, deputy chairman of IG Chemie who joined the MG supervisory board in the spring of 1993, told the FT that at the meeting before Schimmelbusch was confirmed in office he did not mention difficulties in the oil-trading area.

The official Deutsche Bank line is that Schmitz acted with commendable speed once the magnitude of the problems at MG Corp became clear, and he was entitled to rely on statements from Schimmelbusch which later proved misleading.

It was only on December 3 that Schimmelbusch walked the 200m from his headquarters on Reuterweg to Deutsche's twin towers in the heart of Frankfurt's financial district to tell Schmitz of the problems at MG Corp. A fortnight later, Schimmelbusch was ousted, with his boardroom colleagues.

Although the severity of Schmitz's response was unprecedented, the fact remains that the supervisory board failed to identify the lack of controls at MG Corp as a major risk. The blame for this cannot be apportioned to Schmitz alone or indeed to his boardroom colleagues – it highlights a broader "system failure". Many German managers now believe that the commercial ties of Deutsche, Dresdner, Daimler and Allianz to MG made it less easy for them to be critical of Schimmelbusch's autocratic style. And privately, they point out that for years the big bank shareholders backed Schimmelbusch's DM8bn expansion spree, exacerbating the control problems caused by MG's very diversity and encouraging it to take on more debt.

Just how close relations between Deutsche Bank and MG were is illustrated by the fact that it was none other than Schmitz, wearing his corporate finance hat, who advised on Metallgesellschaft's biggest acquisition – the DM1.5bn purchase of the non-paper divisions of Feldmühle Nobel in early 1992.

German managers' almost paranoid concern for secrecy means it is unlikely that many details will emerge. But as they trickle out it will become clear that the image of the German two-tier board system is one of the main casualties of the Metallgesellschaft affair.

Time to re-engineer the manager

Now it's the boss's turn to be shaken up by the latest business theory, writes **James Champy**

Senior managers have been re-engineering business processes with a passion, tearing down corporate structures that no longer can support the organisation. Yet the practice of management has largely escaped demolition. If their jobs and styles are left largely intact, managers will eventually undermine the very structure of their rebuilt enterprises.

The work of managers in a re-engineered organisation must change as much as the work of workers. Radical changes in the tasks of workers and the organisation of their work – the operational processes for filing orders, serving customers after the sale, developing new products, and the like – demand concurrent changes in management processes, such as the roles, styles, reward systems and other "tools" used by managers to run their organisation.

For the past four years, I and other consultants have been re-engineering the operational processes of our clients. But we have paid little attention to their management processes. We now understand that managers must remake three aspects of their jobs to keep their re-engineered operational processes structurally sound:

● Managerial roles. With the radical redefinition of work, the traditional boundaries between leaders, managers and workers are breaking down. As work becomes organised around core processes (for example, order fulfilment, product development, materials acquisition), two results occur: workers add real customer value, and they are increasingly self-managed. That puts the fundamental role of management into question. I recently visited a company that had structured its work around self-managed process teams. Managers were walking the halls asking: "What is my job?"

The answer is that it is nothing like the job they had before. No more close supervision of workers, no more focus on data irrelevant to running the business, no more energy spent on defending turf. The role of managers becomes one of empowerment – providing workers with the information, training, authority and accountability to excel in a re-engineered business process.

One caution: this is not empowerment as traditionally advocated. Managers in a re-engineered organisation cannot relinquish all supervision in the belief that people will figure out their jobs and rise to the occasion. Work may be self-managed but it is not unmanaged. Instead, managers periodically must inspect the work, measure the performance of the process and its contributors, and coach the workers to even better performance.

As workers take on more management tasks, managers must take on more leadership tasks – holding a vision for the business, articulating it to workers and customers, and creating an environment that truly empowers workers. This is a tough transition for managers used to being the "managerial glue" that held their balkanised organisations together.

I can count on one hand the number of executives who have adopted a new style of empowerment

● Managerial styles. Shedding the traditional "command and control" model for one of "lead and enable" is proving a difficult transition for most managers. Many continue to bark orders and micro-manage people in whom they have vested new decision-making authority. I can count on one hand the number of executives who have adopted a new style of empowerment.

Managerial decision-making style must soften, remaining open to finding solutions to seeming paradoxes and contradictions. The tasks and activities in a re-engineered business are much more interrelated. Decisions can no longer be made independently by old functional leaders without regard to the related activities in the same business process.

In this new team environment, behavioural knowledge and skills become crucial.

Successful managers will be masters at getting people to work effectively together, managing conflict and being effective coaches. Knowledge of the content of the job is no longer the overriding requisite for promotion.

● Management systems. As work becomes self-managed, executives will need new "tools" – performance measures, incentives, hiring and training systems – for steering the ship.

In any empowered organisation, what is important is what is measured. Measures must track people's contribution to their team, and the team's contribution to the success of the re-engineered process.

With fewer job descriptions and less hierarchy, managers must change the fundamentals of career development and compensation. With people in jobs for longer, compensation must be based more on the skills and knowledge they acquire, not on their position on the organisation chart.

Overall, managers must shift their focus from watching the numbers to measuring the performance of critical business processes. The new scorecard for managers should be process performance: what percentage of customers are we retaining? How fast are we filling orders? How many prospects are we converting to customers? A blinding focus on financials is to treat the symptoms of organisational distress, not the causes.

I am often asked whether workers will be able to perform in their re-engineered jobs. When enabled and empowered, most of them can. The more serious question is whether managers can make the transition. The answer will determine whether it will take five or 50 years to reverse the errors of the industrial revolution.

The author is president of CSC Consulting Group, which includes CSC Index. He is co-author with Michael Hammer of Re-engineering the Corporation: A Manifesto for Business Revolution.

Christopher Lorenz is on sabbatical until February.

The contractors: A time for celebration... Page 2

FINANCIAL TIMES SURVEY

DRAX: THE BIG CLEAN-UP

Materials handling: Remarkably few problems... Page 5

Friday January 14 1994

The £700m project passed its first milestone recently when Babcock, the largest contractor, handed over to National Power the first two of the six flue gas desulphurisation (FGD) units which are scheduled to be built by 1996

Power station will cut pollution

The impact of the FGD units will be felt throughout Britain and, to a lesser extent other parts of Europe which have long complained about the acid rain emanating from the UK, writes Michael Smith

Mr Barry Fincham and his colleagues at National Power were not impressed when a party of Jap[illegible] visitors to the Drax power station in the early 1980s suggested they followed their example and built facili[illegible] [illegible] lower sulphur emissions. "We all thought it was a bit of [illegible] joke," he recalls.

They have had [illegible] their [illegible]. A [illegible] [illegible] so later Mr Fincham has just completed his 33-year career in the electricity industry with a six-year stint overseeing the construction of the flue gas desulphurisation [illegible] units which the Japanese recommended.

The £700m project passed its first milestone recently, just [illegible] Mr Fincham retired, when Babcock, the largest contractor, handed [illegible] [illegible] National Power the first two of [illegible] which [illegible] scheduled to be built by 1996.

The construction of the units is not the kind of story which can capture the public imagination in the way that, say, the Channel Tunnel, has. But its environmental and [illegible] impact has been, [illegible] will be, [illegible] throughout the country and, to a lesser extent other parts of Europe, including Scandinavia, which have long complained of the [illegible] rain emanating from the UK.

The size of Drax, named after a small village near the site in north Yorkshire, means that almost anything coming out of or affecting the power station has widespread consequences. It is western Europe's biggest coal-fired power station, generating about [illegible] per [illegible] of England [illegible] Wales's electricity [illegible] or enough electricity [illegible] satisfy [illegible] half [illegible] inner London.

Design, construction and manufacture [illegible] FGDs [illegible] of [illegible] largest environmental projects in [illegible] world. Building the FGDs has provided employment [illegible] people with peak activity requiring 1,700 [illegible] on [illegible]. More than 90 companies have been involved with contracts ranging [illegible] hundreds of thousands of pounds to the [illegible] undertaken by Babcock.

For some companies the project has been [illegible] turning point. "Drax has set us on our [illegible] again," says Mr [illegible] Harris, engineering director of Birtley Engineering which had a £25m contract to build the materials handling system for the project. "It put us on the map as a mechanical handler and has given us the references to win contracts elsewhere including Saudi Arabia."

The fact that Birtley, Babcock and other [illegible] able to pass the [illegible] the contract [illegible] National Power's hands on time and within budget will be seen as a significant achievement for British industry, and one that perhaps 10 years ago [illegible] unimaginable on [illegible] large-scale project.

Days [illegible] through industrial [illegible] on [illegible] project [illegible] to [illegible] than [illegible].

[illegible] while the project – and allied programmes [illegible] reduce nitrous [illegible] emissions – [illegible] welcome for an economy which [illegible] in recession [illegible] growing slowly [illegible] much [illegible] the past [illegible] years, [illegible] most long-lasting effects [illegible] likely [illegible] on the environment.

[illegible] the FGD [illegible] will cut 90 [illegible] cent of the more than 250,000 tonnes [illegible] sulphur dioxide [illegible] are emitted from the [illegible], [illegible] will also make a [illegible] contribution [illegible] the UK's [illegible] of reducing emissions to 60 per [illegible] 1980 levels by 2003, [illegible] part of [illegible] to reduce [illegible] which causes such environmental damage.

If [illegible] coal lobby were [illegible] have its way, [illegible] Power and PowerGen, [illegible] other main generator in England and Wales, [illegible] follow the lead of [illegible] counterparts in western Germany and [illegible] FGDs [illegible] each [illegible] their coal-fired power stations. That would give a far [illegible] chance of [illegible] both [illegible] the [illegible] remaining coal-fired [illegible] and the remnants of the coal industry which in the past 18 [illegible] has shrunk from 50 to 22 pits.

If current trends continue – [illegible] is, [illegible] gas-fired electricity and nuclear power increase their market [illegible] as expected – there [illegible] be [illegible] 15 coal-fired [illegible] by the end [illegible] century and no [illegible] than a handful of pits [illegible] service them.

The chances of FGDs being fitted [illegible] any more than [illegible] and two or [illegible] other coal-fired stations [illegible] remote. Later [illegible] decade, [illegible] Power may consider building [illegible] FGD units [illegible] burning Orimulsion, a [illegible] fuel imported from Venezuela, but [illegible] is unlikely to add any to its 17 coal-fired stations other [illegible] Drax.

PowerGen, [illegible] seven coal-[illegible] stations, is already building an [illegible] plant [illegible] clean [illegible] 2,000 megawatts [illegible] tricity at its Ratcliffe power station, but there are [illegible] that it will fulfil the strong [illegible] given in its flotation prospectus three [illegible] [illegible] it would build a similar facility at its Ferrybridge C [illegible] station.

Although the government has [illegible] expects PowerGen [illegible] fit 4,000MW of FGD, the company [illegible] likely to argue that it should be relieved of any obligation [illegible] Ferrybridge [illegible] of [illegible] contribution it is making [illegible] cutting sulphur [illegible] by replacing coal-burning stations [illegible] gas-fired plants which [illegible] more environmentally friendly.

"We will continue to [illegible] investment [illegible] on a step-by-step [illegible] emission targets and market circum[illegible] require," [illegible] company says.

[illegible] Scottish Power was privatised, [illegible] anticipated building 2,000MW of [illegible] Longannet power plant but there [illegible] strong doubts both [illegible] the company [illegible] among environmentalists about [illegible] worth of doing [illegible] because of [illegible] low sulphur [illegible] Scottish coal.

[illegible] possibility is that [illegible]tish Power [illegible] relieved [illegible] some [illegible] the requirement on [illegible] sulphur content in return [illegible] contributing financially to [illegible] FGD construction in [illegible].

[illegible] generators' [illegible] to commit themselves to anything other than Drax and Ratcliffe is explained by the cost. National Power [illegible] the Drax FGD will [illegible] 0.6p a unit [illegible] the cost of producing electricity which compares with about 2.6p per unit for [illegible] traded in England [illegible] Wales's wholesale electricity pool.

It [illegible] it cannot simply [illegible] all of [illegible] through to the customer [illegible] that would lead [illegible] its losing market share to [illegible] independent companies producing electricity from [illegible]bined cycle [illegible] turbine genera[illegible].

The company's critics say National Power can afford to absorb the [illegible] increases following [illegible] stronger-than-expected financial performance since privatisation and [illegible] value [illegible] the company [illegible] contracts agreed with British Coal earlier this year.

Whatever the arguments, Mr Granville Camsey, National Power executive director for group technology, says the company [illegible] willing to pay [illegible] price for the environment.

"Any industrial enterprise [illegible] responsibility for the environment will lose out," [illegible] says. "Increasingly towards [illegible] end of the decade, investors will choose compa[illegible] with high profiles [illegible] the environment. You [illegible] no lon[illegible] approach."

[illegible] Mr Camsey also acknowledges that National [illegible] be [illegible] satisfy the requirements of the government's pollution inspec[illegible] on reducing sulphur emissions had it not [illegible]structed [illegible] FGD. Its [illegible]struction of gas-fired power stations, which produce virtually no sulphur, [illegible] unlikely [illegible] enough.

Drax employees [illegible] unlikely to [illegible] too [illegible] about the motives of National Power [illegible] the Central Electricity Generating Board, [illegible] predecessor prior [illegible] electricity privatisation, for building the FGDs.

The [illegible] know that most of them will have [illegible] job until well [illegible] the next century if they [illegible] one. [illegible] many employees at coal-fired [illegible] can [illegible] anything like that [illegible] confidence.

■ THE CONTRACTORS

Celebrations after a difficult year

Last month, Babcock Energy formally handed over to National Power the first [illegible] of six sulphur dioxide absorber towers and associated plant which it [illegible] building at the Drax power station on an eight-year £400m-plus contract.

After [illegible] difficult year [illegible] Drax for the subsidiary of Babcock International, it was [illegible] time for celebration – tinged with feelings of relief.

According to Dr John Parker, chief executive [illegible] deputy chairman of the engineering contractor, the completion of the first phase of the project [illegible] "a major technological and operational achievement for both Babcock and National Power and is the culmination of five years work on the contract [illegible] completion on time and [illegible] specification."

Work on the remaining four units was proceeding [illegible] plan, [illegible] Babcock, and more than [illegible] per cent of the contract had been carried out. The final pair of absorbers would [illegible] handed [illegible] to National Power on the scheduled contract dates in [illegible] spring of [illegible].

The handover [illegible] December came only three months after Babcock had revealed that it would be taking a [illegible] pre-tax provision to cover higher-than-expected [illegible] the contract – along with [illegible] further £5m provision [illegible] of closing non-core mining activities [illegible] Africa.

The [illegible] shocked the City of London, caused [illegible] per cent overnight fall in Babcock's share price and once again underlined the risks inherent in large-scale engineering [illegible]tracts.

Babcock's problems at Drax have, perhaps inevitably, [illegible]shadowed [illegible] achievements [illegible] contract and [illegible] of other suppliers and contractors. [illegible] scale of the project, with [illegible]

Overall, the project [illegible] running on time and under budget. Total [illegible] will be about £680m

of pipework, 29,000 tons of steelwork, and large ductwork assemblies which were moved around [illegible] the equivalent of roller skates before being lifted into position, [illegible] produced some significant construction achievements.

Building the [illegible] plant required [illegible] sinking [illegible] piles into ground [illegible] the operating plant. For, apart from some temporary interruptions, Drax [illegible] been continuing to produce power – which [illegible] very important [illegible] customer.

"The ability [illegible] the construction team to build [illegible] plant while reducing [illegible] impact [illegible] our biggest [illegible]earner has been masterful," says Mr Granville Camsey, National Power's executive director with overall responsibility for the Drax project.

Overall, the project is running [illegible] time and under budget. The original estimate was £750m, Mr Camsey [illegible], but the eventual [illegible] will be about £680m.

Apart from [illegible] Energy, National Power [illegible] had about 50 main [illegible] them, the largest amount of work [illegible] Birtley Engineering, which won [illegible] of contracts to supply the materials handling system [illegible] a [illegible] water treatment plant. It [illegible] followed by Mowlem Civil Engineering, which did [illegible] of piling, unit plant [illegible] ductwork foundations, Amec Civil Engineering [illegible] of [illegible] on [illegible] plant foundations), [illegible] McAlpine [illegible] of preliminary civil works), [illegible] W. S. [illegible] (a [illegible] civil design consultancy contract).

[illegible] Energy itself has also given work worth [illegible] apiece [illegible] more [illegible] 30 sub-contractors. By far [illegible] biggest contract, worth about £45m, went [illegible] Cleveland Structural Engineering for [illegible] the structural steelwork [illegible] cladding. Howden Sirocco [illegible] a £22m contract for [illegible] heaters and booster fans, while con[illegible] of [illegible] to [illegible] France for [illegible] glass reinforced plastic (GRP) pipework, Balfour Kilpatrick for cabling and Ancorite for the absorber and flue linings. Thompson Kennicott, part of Rolls-Royce, provided [illegible] water treatment plant in a deal worth about £10m.

Other household names from construction and engineering include M. J. Gleeson, GEC Alsthom, Weir Pumps and Asea Brown Boveri. ABB [illegible] control system contracts from both Babcock Energy and National Power itself, worth [illegible] total [illegible] about £10m.

Overall, the bulk of [illegible] spending on the project has been in [illegible] UK – National Power estimates [illegible] only about £45m [illegible] work was supplied from overseas. At its peak, about 2,300 people were employed [illegible] site, but the overall employment effect for [illegible] projects is normally [illegible] three [illegible] num[illegible] – if steelmakers, transporters and [illegible] remotely involved are [illegible]


Some 85km of pipework has been used in the project


Granville Camsey: 'They realised they had to bring in more people'

For many of the suppliers, and especially [illegible] itself, [illegible] Drax [illegible] project [illegible] one [illegible] their [illegible] experiences of the way [illegible] privatised utilities are handling very big capital investments. In contrast [illegible] highly-detailed technical design work which used to be carried out by the [illegible] Electricity Generating Board, National [illegible] gave [illegible] a performance specification [illegible] must [illegible] but very [illegible] technical definition.

This [illegible] a fundamental change, says Mr Camsey, from [illegible] and [illegible]ers are used to. The relationship [illegible] the two is now [illegible] around performance-related criteria. [illegible] Power, [illegible] example [illegible] down what it wanted in [illegible] of performance and durability from [illegible] project's pipework, but [illegible] not say what it should [illegible] made of. In consultation with the [illegible]tomer, Babcock decided on using [illegible] for [illegible] per cent of [illegible] pipework rather than rubber-lined steel. Babcock also decided [illegible] mild steel ductwork with a nickel-based material, Hastalloy, [illegible] performance criteria there.

This [illegible] of construction clearly requires a high degree [illegible] between customer [illegible] supplier but [illegible] a mechanism than enables both to spot problems early and take action accordingly.

Leaving [illegible] relatively minor problem of [illegible] fire [illegible] of Plastilon's plants, the big problem [illegible] been [illegible] the heart of [illegible] itself.

The massive steel absorbers have [illegible] lined with rubber [illegible] prevent corrosion, but in August 1992 imperfections in [illegible] plate were discovered after shotblasting, says Mr [illegible] Thorley, [illegible] Energy's project manager at Drax. Consequently, reaching the required level of smoothness and [illegible] linings [illegible] properly proved [illegible] be much [illegible] difficult than had first [illegible] thought.

[illegible] of the problem was [illegible] specification [illegible] plate itself, [illegible] Mr William Fairney, National Power's director of project development and construction. The original plate was supplied from the UK, but Babcock says that for the later units it is switching to steel from a Belgium supplier which [illegible] able to give guarantees on imperfection-free plate.

The technical problem in the absorbers [illegible] solved by Christmas [illegible] 20 [illegible] had been lost. National [illegible] could [illegible] that Babcock would not [illegible] able [illegible] complete the [illegible] two absorbers by December [illegible] without considerable additional [illegible] up with [illegible] schedule.

"We sat down with them to look [illegible] the problem," [illegible] Mr Camsey. "They realised they had [illegible] bring in more people." This was the origin [illegible] Babcock's [illegible] overrun – which emerged in the summer after [illegible] independent [illegible] cock head office found a [illegible] between expected [illegible] on [illegible] predicted costs.

Babcock's [illegible] on site has [illegible] strengthened and top-level oversight of the project tightened up through appointment of a director dedicated to the project.

Mr Camsey says there [illegible] been [illegible] tough talking between contractor [illegible] customer, and even [illegible] "bloodletting." But he [illegible] that, overall "in [illegible] and [illegible] project management sense, Babcock have been good, [illegible] satisfied." The handover of [illegible] two absorbers [illegible] made [illegible] day before the December 17 [illegible]

[illegible] Fairney [illegible] that [illegible]cock must be given [illegible] for [illegible] way it [illegible] three 12-week outages (utility-speak for stopping production) for the critical installation [illegible] ductwork [illegible] flues. It finished [illegible] first with two days [illegible] spare, the second with seven days, and the third with 11 days to spare.

The two will probably continue discussing terms until [illegible] contract [illegible] completed

Both contractor and [illegible]tomer are now confident [illegible] the four remaining absorbers will go ahead without further technical problems after [illegible] learnt on [illegible] pair. The two [illegible] will probably continue discussing [illegible] until the [illegible] is completed and Babcock said in September it [illegible] Power about recovery [illegible] "certain elements" [illegible] additional costs. Whether [illegible] achieves [illegible] be seen – Mr Camsey [illegible] "No comment."

Andrew [illegible]

■ THE ALTERNATIVES

Emerging technologies

National Power, along with other generators of power from coal-fired stations, has had [illegible] broad technology options when deciding how [illegible] respond to the increasing pressure [illegible] reduce sulphur dioxide [illegible].

The first [illegible] to use [illegible] four methods [illegible] retrofit flue [illegible] desulphurisation (FGD) equipment [illegible] an [illegible]ing coal-fired plant. These methods essentially aim [illegible] improve the traditional pulverised [illegible] firing process through [illegible] emission con[illegible] *after* combustion.

The [illegible] to start afresh [illegible] a new power [illegible] and a new method of combustion. Typically, that would mean switching [illegible] combined cycle [illegible] turbine power generation, a significantly cleaner method than traditional coal-fired [illegible]eration. The extreme, no-emission, option [illegible] nuclear power.

In [illegible] emerging technologies which [illegible] coal. Integrated gasification [illegible]bined cycle (IGCC), [illegible] example, [illegible] turning [illegible] a [illegible] then [illegible] fire [illegible]

Relatively [illegible] types of boilers using fluidised [illegible] combustion, which has a number of variants, involve burning powdered [illegible] in [illegible] of pulverised limestone.

In [illegible] up [illegible] placing [illegible] in [illegible] the former [illegible] Electricity Generating Board weighed [illegible] various options for cleaning up the station. Given [illegible] size [illegible] Drax – six 660MW units – it [illegible] perhaps hardly surprising that the options [illegible] were [illegible] FGD [illegible]

[illegible] was [illegible] prevailing philosophy in the early- [illegible] mid-[illegible] European [illegible] Japanese [illegible] were making [illegible] of [illegible] choices available, [illegible] Mr Granville Camsey, a National Power executive director and [illegible]ing director (group technology).

All the choices, he says, involve GCE 'O-Level' chemistry. The decision [illegible] technology to use will be based on [illegible] grounds, and [illegible] be [illegible] by anything from [illegible] the coal [illegible] the availability of [illegible].

The choice at Drax [illegible] emerged as comfortably the [illegible] popular of the [illegible] main FGD [illegible]. This is [illegible] limestone-gypsum [illegible] on about half [illegible] 180 [illegible] plant fitted [illegible] FGD equipment [illegible]

The process uses the alkaline calcium carbonate in naturally occurring limestone to capture the sulphur dioxide by contact with the flue gas in a wet scrubbing vessel.

The byproduct, apart [illegible] water, [illegible] (calcium sulphate), the raw material for plasterboard and other products used [illegible] the construction industry. This consequently gives the process a commercial aspect that [illegible] often lacking in environmental clean-up technology.

The second [illegible] popular [illegible] route [illegible] the regenerative [illegible] which [illegible] involves [illegible] scrubbing and [illegible] a commercial spin-off. This uses [illegible] sodium-based alkaline scrubbing liquor to capture the SO_2. The spent liquor [illegible] be [illegible] it [illegible] be used again, and the separate [illegible] of SO_2-rich [illegible] can be sold or turned into sulphur or sulphuric acid, [illegible] by the [illegible] industry.

Priorities [illegible] changed for utilities such [illegible] National Power

The [illegible] other main FGD [illegible] seawater washing, which [illegible] the natural alkalinity of seawater to remove the SO_2 [illegible] the flue [illegible] in [illegible] scrubbing [illegible]. Air and fresh [illegible] are [illegible] the scrubbing liquor [illegible] neutralise pH levels before it [illegible] to [illegible]

There [illegible] however. There [illegible] no commercial byproducts; [illegible] amounts of [illegible] are required; and the flue [illegible] has [illegible] the [illegible] work, which [illegible] costly, leaving large quantities [illegible] warm seawater [illegible] be returned whence [illegible]

In [illegible] fourth [illegible], spray drying, powdered lime is injected into [illegible] dry scrubbing [illegible] and [illegible] SO_2 [illegible] removed by [illegible] with humidified [illegible]. A solid by-product, [illegible] mixture [illegible] calcium sulphite-sulphate-carbonate and flyash, [illegible] be partly re-used in the process but has no [illegible]

Spray-drying is [illegible] really an option [illegible] a large [illegible] such as Drax because it it only [illegible] 50 per cent [illegible] the flue gas, compared with as much as [illegible] per cent for the limestone-gypsum process, says Mr Camsey. It would be more [illegible] a [illegible] station used only [illegible] peak loads.

As it happens, there is a similar reason [illegible] preferring the limestone-gypsum process than taking an entirely different tack, [illegible] to use low sulphur coals [illegible] of FGD. [illegible] coals, available on the international market, typically have a sulphur content of about 0.8 per cent, about half [illegible] UK coals, so their [illegible] would only halve [illegible] emis[illegible]. Low-sulphur coals can [illegible] used *with* FGD, although that would reduce the [illegible] of gypsum by-product.

Since the old CEGB decided on [illegible] FGD [illegible] Drax, pri[illegible] changed for utilities such [illegible] National Power, all [illegible] which [illegible] bility to [illegible]. The question [illegible] is less likely to be "Which FGD route should [illegible] use?" than "[illegible] it commercially more viable [illegible] FGD or start afresh?"

The "dash for gas" – in the UK and elsewhere – is evidence [illegible] this question [illegible] being answered. Widespread acceptance [illegible] as a fuel [illegible] power generation [illegible] relatively recent, but [illegible] in combined cycle [illegible] generation pro[illegible] electricity more efficiently [illegible] cleanly than large-scale coal-burning.

[illegible] for clean [illegible] technologies, the [illegible] has switched from FGD with [illegible] high installation [illegible] to [illegible] are promising [illegible] greenfield [illegible] but cannot economically [illegible]

The big power equipment suppliers are spending heavily on two main methods [illegible] pressur[illegible] FBC and circulating FBC. The latter [illegible] far [illegible] greater [illegible] acceptance but [illegible] coming up from behind [illegible] strong backing from [illegible] Brown Boveri, [illegible] group.

Mr Camsey's preferred clean [illegible] choice, however, [illegible] IGCC. National Power [illegible] participating in [illegible] European Union-backed project [illegible] build [illegible] 350MW [illegible] plant in Spain, [illegible] commissioned in 1997. Another [illegible] demonstration plant, designed by Shell and located at Bug[illegible] in the [illegible], is now [illegible]

[illegible] the [illegible] technologies, which are dependent [illegible] coal, IGCC [illegible] of fuel [illegible] coal and gas, [illegible] Mr Camsey. As the costs of IGCC equipment come [illegible] and if gas [illegible] rise relative to [illegible], it could be retrofitted [illegible] combined cycle plant.

Andrew [illegible]

■ COAL'S ROLE

Crucial decision

The flue [illegible] desulphurisation units at National Power's Drax plant and PowerGen's Ratcliffe station will [illegible] a role for coal in the UK well into the next decade. But [illegible] will be [illegible] smaller role than in [illegible] past.

The size of the coal market will depend to [illegible] large [illegible] on how Her Majesty's Inspectorate of Pollution (HMIP), the government watchdog, enforces and interprets pollution standards, and [illegible] how that affects the ability of coal-fired stations [illegible] stay in operation.

Crucial to coal's role will be whether [illegible] generators build more FGDs, either [illegible] stations which burn coal or those which burn Orimulsion, the bitumen-based fuel imported from Venezuela, and whether they hasten the so-called dash for gas-fired generation.

In the late 1980s, Mrs Margaret Thatcher, then the prime minister, appeared [illegible] commit the UK [illegible] building [illegible] of FGDs. [illegible] there [illegible] little prospect [illegible] that now. There [illegible] doubts aboutwhether the 8,000MW indicated by the government for England and Wales at electricity privatisation three years ago will become a reality.

[illegible] Camsey, managing director of group technology [illegible] Power, says his [illegible] not rule out building more coal FGDs [illegible] top [illegible] the [illegible] being [illegible] Drax but [illegible] acknowledges it is unlikely.

FGDs for Orimulsion seem more probable, thus further eroding coal's role. The coal lobby would be even [illegible] enraged, however, if PowerGen decided [illegible] go [illegible] with [illegible] installation at its Ferrybridge plant.

In [illegible] government's offer-for-sale document for National Power and PowerGen [illegible] privatisation, PowerGen said it had "informed [illegible] government of [illegible] plan to install FGD equipment [illegible] 4,000MW of capacity [illegible] existing stations."

The Ratcliffe installation comprises [illegible] but PowerGen [illegible] yet [illegible] proceed with the [illegible] and [illegible] about whether it will.

[illegible] if [illegible] not [illegible], it will have broken commitments in [illegible] offer-for-sale. [illegible] argument [illegible] payer [illegible] already paid for the full 4,000MW of FGD programme because PowerGen's share price [illegible] lower than it would otherwise have been [illegible] take account [illegible] the "commitment".

Against this, PowerGen [illegible] that [illegible] form of words in [illegible] sale [illegible] did [illegible] constitute a commitment and that, in [illegible], it could fulfil [illegible] sulphur reduction obligations by burning less sulphu[illegible] coal, mainly imported, [illegible] by building combined-cycle [illegible] stations.

Gas [illegible] undoubted environmental advantages over coal. [illegible] emits about half the carbon dioxide per unit of electricity and virtually no sulphur [illegible].

[illegible] lobby is that [illegible] plants will replace [illegible] stations [illegible] could have years [illegible] useful life [illegible] and could, in [illegible] cheaper [illegible] run when [illegible] with FGDs.

The coal lobby's explanation for the dash [illegible] is that regional electricity companies became involved in joint [illegible]tures to [illegible] up [illegible] generating companies because they [illegible] desperate [illegible] escape the clutches of [illegible] duopoly in PowerGen and National Power which charged them [illegible] than necessary for power. These [illegible]panies [illegible] a captive market in [illegible] regional electricity companies through long-term [illegible] which allowed costs [illegible] passed on [illegible]

National Power and PowerGen responded, [illegible] argument goes, by building their [illegible] gas-fired [illegible] so that they [illegible] retain market share. [illegible] coal lobby's conclusion is [illegible] the [illegible] for [illegible] the result [illegible] a [illegible] market which will [illegible] in a [illegible] of UK [illegible] pit closures which will close [illegible] coal supplies for [illegible]

The generators' response is that it makes [illegible] to invest in gas-fired generation which is more environmentally friendly and more thermally [illegible] than to retrofit FGDs on [illegible] plant which has limited life.

[illegible] counter-arguments are unlikely to convince the generators [illegible] build anything more than Drax, Ratcliffe – and possibly Ferrybridge and another plant [illegible] Longannet with Scottish Power funds. [illegible] then [illegible] future for [illegible] other 22 coal-fired stations?

The HMIP's role will [illegible] crucial. There [illegible] considerable uncertainty about [illegible] the inspectorate will interpret [illegible] European drive to introduce [illegible] Best Available Techniques [illegible] Entailing [illegible] (BATNEEC) through which "old" plant must [illegible] brought up [illegible] "new".

The objective [illegible] plant [illegible] upgraded by April 2001 at [illegible] latest.

The [illegible] industry [illegible] unless the inspectorate [illegible] flexible, it [illegible] possible [illegible] early in [illegible] millennium [illegible] will [illegible] only [illegible] coal-fired power [illegible] still running; [illegible] with [illegible]

That [illegible] provide [illegible] 15m [illegible] 20m [illegible] of coal [illegible] the electricity sector [illegible] by [illegible] largest [illegible]ket for coal. That [illegible] turn [illegible] provide outlets for considerably [illegible] than 10 pits, against [illegible] 22 in operation today, [illegible] assumes that all [illegible] the coal used [illegible] sourced [illegible] UK, [illegible] highly improbable scenario given [illegible] sulphur [illegible] of imported coal.

All [illegible] this [illegible] almost certainly [illegible] gloomy a picture. After all, PowerGen expects that by [illegible] majority [illegible] seven coal-fired stations it will [illegible] operating [illegible] financial year will remain open by the end of the century. Even National Power, [illegible] pessimistic on this issue, expects to be operating [illegible] 10 [illegible] remaining power stations in [illegible] millennium.

[illegible] unless the [illegible] changes beyond [illegible] expectations, most [illegible] coal-fired stations [illegible] survive will be operating [illegible] considerably [illegible] capacity. The chances [illegible] coal sales to the England and [illegible] generators reaching anything like the 40m [illegible] this financial year [illegible] remote.

Michael Smith

DRAX: THE BIG CLEAN-UP III

Drax's flue gas desulphurisation plant, while much the most ambitious in Europe, is something of a late-comer in the [illegible] moves to curb air pollution in the region.

[illegible] the past 20 years, a complex structure of emission controls [illegible] evolved at both supra-national and national levels. These [illegible] been successful in bringing about marked reductions in emissions in countries such as Germany, for example, where fears of acid rain were strongest.

In other countries, such as the [illegible] progress has been slower because governments have been sensitive [illegible] the [illegible] station clean-up, particularly when [illegible] "end [illegible] pipe" solutions. The quest for alternative means of reducing pollution has also intensified.

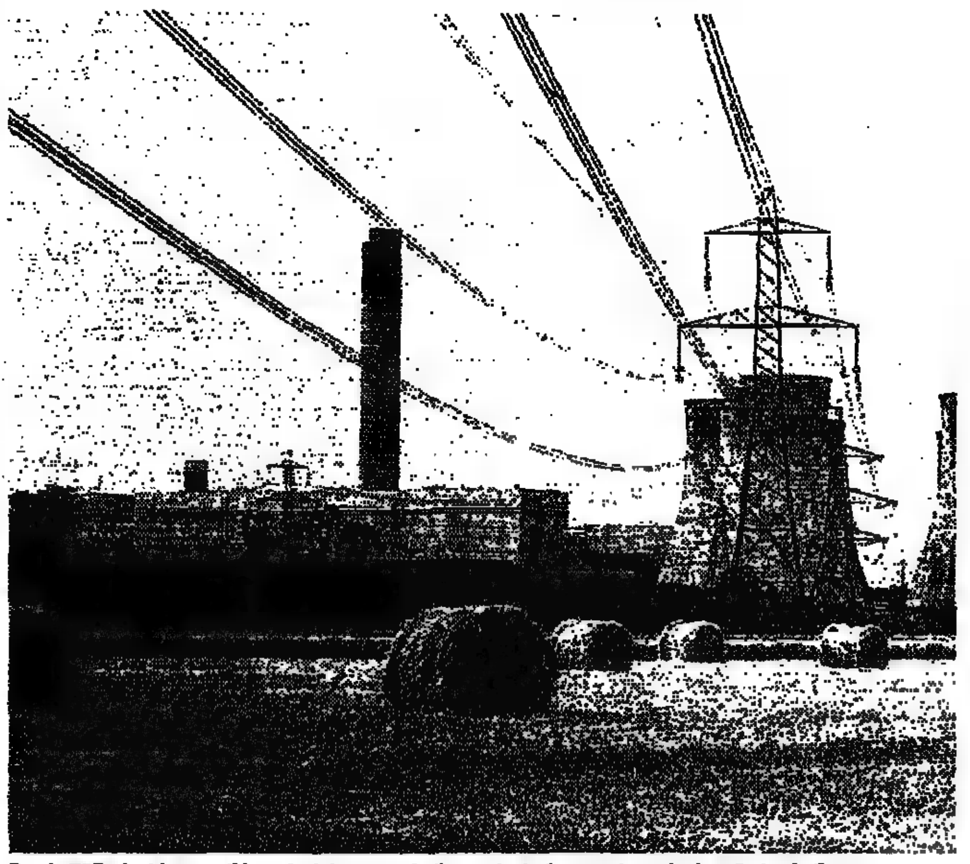
Serious attempts to clean up the atmosphere at an international level began in the 1970s when fears of the threat posed by acid rain prompted negotiations in the UN's Economic Commission [illegible] Europe in Geneva.

[illegible] led to the 1985 Sulphur Protocol [illegible] committed signatories to reduce emissions of sulphur dioxide to 70 per cent of 1980 levels by 1993. In 1988, a similar protocol committed signatories to cut nitrous [illegible] emissions by [illegible] cent by 1995-98.

In 1988, the European Union adopted the Large Combustion Plants [illegible] which aimed to take the protocol a stage further. This called for reductions of sulphur dioxide from existing plants of 25, 43 and 70 per [illegible] by [illegible] 2003 respectively from 1980 levels. [illegible] gave special dispensation to [illegible] with heavily reliance [illegible] large coal-fired power stations, with targets of 20, 40 and 60 per cent respectively. The directive also set a [illegible] for cuts in nitrous [illegible]

The other aim of the directive was to set tough emission limits for [illegible] – limits which are [illegible] in force.

These measures, plus others taken [illegible] national level, [illegible] already produced sharp [illegible] in [illegible] Germany, with characteristic thoroughness, has gone furthest. Following [illegible] 1983 ordinance, it has [illegible] clean-up equipment to all plants in the former West Germany. This has led to cuts of 90 per cent in sulphur emissions, and 75 per cent in nitrous oxide.



Drax's FGD plant is something of a late-comer in the context of moves to curb air pollution in Europe

■ Environmental pressures in Europe

Complex structure of controls

[illegible] the cost of [illegible] been huge. The total [illegible] amounted [illegible] DM22bn, plus DM5bn [illegible] annual operating [illegible] This [illegible] 3 pfennigs [illegible] the [illegible] of [illegible] kWh, according [illegible] by [illegible] the electricity industry [illegible] now started on the clean up of some 10,000MW of coal-fired capacity in the former East Germany, with a completion target date of 1996, again at a cost of billions [illegible] DM.

The experience of the first phase of clean-up is now having its effect as European countries address [illegible] stage.

Now that the first set of target dates for the sulphur protocol reductions has been reached, moves are afoot to tighten the rules still further. Last year, negotiations began [illegible] sulphur protocol [illegible] bring about further reductions by [illegible]

The EU will [illegible] updating [illegible] Large [illegible] Directive this year, but although [illegible] in the [illegible] generation industry that [illegible] might lead [illegible] even tighter targets, [illegible] say

EMISSIONS OF SO_2 (000s of tonnes)

	1980	[illegible]	[illegible]
Canada	768	677	-12
USA	15860	14360	-9.5
Japan	[illegible]	[illegible]	-45
[illegible]	90	16	-82
Denmark	218	119	-45
France	1222	313	-74
Germany[2]	1879	322	-83
UK	3007	2722	-9.5

Notes: [1]1989 [2]West Germany only

Source: OECD

[illegible] LCPD [illegible] likely [illegible] in [illegible] the [illegible] protocol.

Unlike [illegible] protocol, [illegible] not aim for blanket reductions in emissions. The hope is to get [illegible] more flexible system which takes [illegible] of [illegible] localities where environmental damage [illegible] being caused, [illegible] ability of [illegible] to [illegible] the pollution – an approach known as [illegible] load analysis which [illegible] supposed [illegible] give [illegible] clearer [illegible] of where [illegible] priorities lie.

Some countries, for example, are being asked to cut sulphur by [illegible] per [illegible] by only [illegible] per cent, although environ[illegible] complain that even this is not [illegible] because the [illegible] acid deposition are cumulative, and [illegible] amounts make a [illegible]

[illegible] new protocol is also [illegible] to permit greater [illegible]ity as to how the [illegible] are actually achieved so as [illegible] bring a degree of [illegible] into the equation. Although the principle of Best Available Techniques Not Entailing Excessive Cost (BATNEEC) is the traditional method, some signatories, such [illegible] the UK, want the protocol to leave room for alternative means.

This has produced [illegible] debate [illegible] the merits [illegible] different pollution reduction methods. One [illegible] these is economic instruments, including tradeable pollution permits which [illegible] launched in the US but have yet to make an appearance in Europe, although [illegible] the UK have been studying them closely.

Another method [illegible] encour[illegible] use of cleaner [illegible] sources. France, with its strong development [illegible] nuclear power, has achieved most by this [illegible] its power [illegible] emis[illegible] the [illegible] in Europe [illegible] a [illegible] capita basis.

Britain [illegible] hopes to make [illegible] lot [illegible] headway towards [illegible] targets by switching from [illegible] gas – a process which [illegible] already well under way although [illegible] political cost, given [illegible] year's uproar [illegible] closures [illegible] coalmines.

But [illegible] a [illegible] down which Germany [illegible] clearly [illegible] prepared to [illegible] It [illegible] been [illegible] to [illegible] from [illegible] nuclear [illegible] no other viable [illegible] fall [illegible] on. It will therefore have [illegible] take [illegible] pursuing its retrofit programme. Even so, the EU Commission expects the [illegible] by Europe's power stations to increase [illegible] by the [illegible]

However, there are also other [illegible] such as introducing greater [illegible] efficiency, [illegible] clean technology for burning coal.

The efficiency option has recently [illegible] undermined by [illegible] fall in oil prices, and by the failure of EU countries [illegible] agree some kind [illegible] tax, [illegible] as a carbon tax, which might push [illegible] of electricity up to levels which encourage greater savings. However the proposal has the support of [illegible] number [illegible] EU [illegible] is likely to [illegible] on the negotia[illegible] countries are also jacking up fuel [illegible] is having the same [illegible]

David [illegible]

■ FGD TECHNOLOGY

One step towards a cleaner environment

National Power likens the process to [illegible] huge car wash. Instead of cars, [illegible] FGD plant is washing the sulphur dioxide out of the gases which are the result [illegible] burning coal to fire the generators.

The other main [illegible] that [illegible] FGD [illegible] limestone, not [illegible] in [illegible] washing process – and it has a significant byproduct in gypsum, the building materials product.

While environmentalists welcome the reduction in sulphur dioxide [illegible] which results from fitting the FGD plant, they [illegible] about [illegible] the plant's consumption of half a million [illegible] limestone [illegible] year.

[illegible] the Earth, the pressure [illegible] FGD construction [illegible] National Power's Drax plant [illegible] a step in [illegible] right direction towards [illegible] cleaner environment but [illegible] it would have liked a [illegible] thorough investigation [illegible] alternatives [described elsewhere in this survey] and [illegible] effects they would [illegible] had [illegible] the environment.

First, the technology. The limestone-gypsum process [illegible] Drax [illegible] the [illegible] widely used in FGDs throughout the world. Babcock, [illegible] contractor, constructed the [illegible] under licence from Hitachi, the Japa[illegible] company.

Under the [illegible] sulphur dioxide is routed through ducting which [illegible] big enough [illegible] allow [illegible] double [illegible] London bus to [illegible] through. [illegible] peak output, flue [illegible] will [illegible] through [illegible] ducting at the rate of 6,000 cu m a second.

A simple chemical [illegible] large containers called absorbers, which [illegible] equivalent in size [illegible] 12-storey buildings. Limestone, ground [illegible] a fine powder, is [illegible] with water [illegible] form a slurry [illegible] which is sprayed on [illegible] sulphur-laden gas in the [illegible]

The sulphur [illegible] with the [illegible] [calcium carbonate] [illegible] produce [illegible] sulphite. Air blown [illegible] the [illegible] oxidises the calcium sulphite, turning it into calcium sulphate.

Then, as in the spin cycle in a domestic washing machine, the [illegible] is removed leaving the by-product of high grade gypsum.

The [illegible] is stored [illegible] the site, then sold for use in the building trade. [illegible] water [illegible] ensure it returns [illegible] the environment [illegible] an agreed standard.

The environmental lobby's

> Ms Fiona Weir, who heads the air pollution team [illegible] Friends of [illegible] Earth, says [illegible] worries that the process [illegible] much limestone compared to other types of FGD

concern is [illegible] with [illegible] sourcing of the limestone [illegible] the transport [illegible] it on [illegible] the site and the gypsum off [illegible] site.

[illegible] Fiona Weir, [illegible] air pollution [illegible] at Friends of the Earth (FoE), [illegible] there are worries [illegible] the process [illegible] so much limestone compared [illegible] other types of [illegible] "We wanted [illegible] much more serious consideration of the alternatives and will [illegible]tainly press [illegible] it if [illegible] other FGDs [illegible] built in [illegible] UK," [illegible]

"Other options [illegible] have been more costly but they may have been [illegible] damaging [illegible] the environment," [illegible] says.

Ms [illegible] acknowledges [illegible] of [illegible] concerns [illegible] including transport and supplies [illegible] have been dealt with, [illegible] in part, by National Power.

The company has agreed that transport [illegible] limestone will be by rail rather than by road which would cause more disturbance [illegible] in the areas in between. [illegible]uted £4m to [illegible] building [illegible] carriageway ring road built while [illegible] building was in [illegible]

[illegible] has [illegible] agreed [illegible] source all of the limestone from areas which are not in national parks. This [illegible] only some of the way to meeting FoE's concerns [illegible] Drax's use of 500,000 tonnes a year [illegible] lead to pressure increasing from other limestone consumers for limestone [illegible] taken [illegible] areas of natural beauty.

In addition, strict planning controls have contributed to National Power covering all of the FGD units with cream-coloured cladding and spending considerable sums on landscaping.

Drax, like [illegible] other [illegible] will never be attractive [illegible] there are worse industrial eyesores in [illegible] UK.

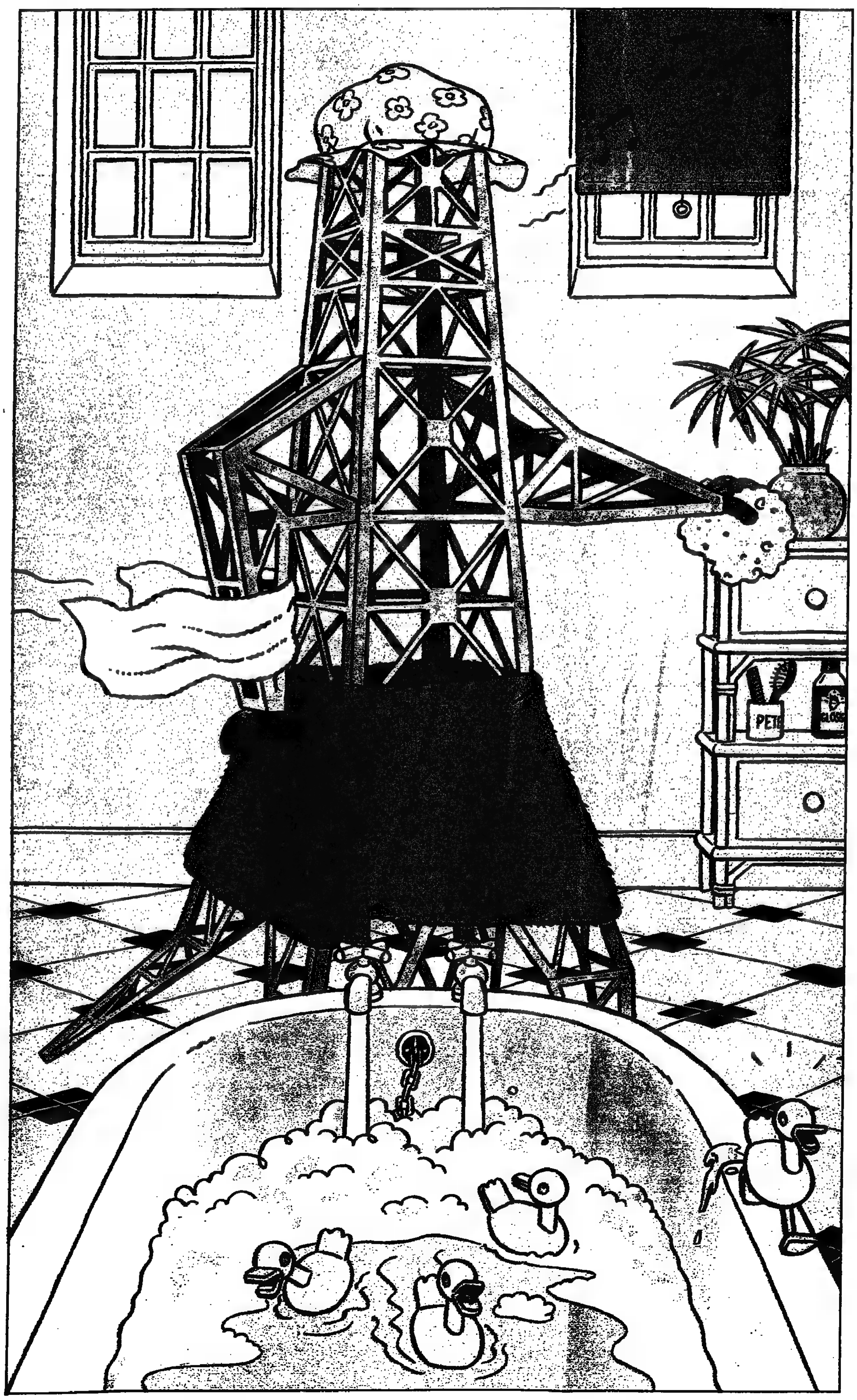
In lobbying Her Majesty's Inspectorate for Pollution last year, Friends of the [illegible] pressed not for rejection of authorisation for the FGDs but for conditions to be attached [illegible] authorisation, including [illegible] fuller assessment of alternatives and strict monitoring of sulphur and nitrogen oxides from the plant.

Friends [illegible] the Earth has long campaigned that the [illegible]erators should be required [illegible] provide more [illegible] environmental assessments [illegible] their power stations. It [illegible] only a short-term solution [illegible] the environmental problems [illegible] Britain and Europe.

"There [illegible] carbon dioxide penalty for FGDs," says Ms Weir. This is because FGD installations increase the [illegible] electricity needed to run [illegible] power plant and thus increase the amount [illegible] carbon [illegible] which [illegible] being pumped into [illegible] air. There are no international limits [illegible] dioxide emissions.

Friends of [illegible] Earth thinks [illegible] are preferable long-term solutions [illegible] of both carbon [illegible] and sulphur dioxide from power stations. They would like [illegible] see national consumption of electricity [illegible] through [illegible] – and increasing use of [illegible] resources [illegible] wind and solar power.

Michael Smith



Alastair Stewart reports on the gypsum market

Waste is recycled for building industry

At Drax, the flue gas desulphurisation (FGD) plants will leave up to 1m tonnes a year of white powder as a byproduct. Instead of being dumped, this waste material is about to be recycled in the form of products for the building industry.

The byproduct of Drax, known as desulpho gypsum, will be used as a substitute for natural gypsum, a widely occurring rock which is employed in the manufacture of plaster and plasterboard, used for lining virtually all internal walls and ceilings in homes and offices.

In the FGD process, a mixture of water and powdered limestone is sprayed as a highly dense mist through which the spent gases from the generators is forced. The spray reacts chemically with the SO_2 and removes it from the waste gas. Additional treatments remove impurities such as chlorides. A liquid sludge of calcium sulphite ($CaSO_3$) is left and this is oxidised by passing air through it to produce a water-based form of calcium sulphate ($CaSO_4$). When this is dried, a white powder remains: gypsum.

The main use of gypsum used to be bagged plaster, which is mixed with water and smeared on walls to form a smooth, hard skin when dried. Increasingly, plaster is being replaced by plasterboard – a sandwich of a hardened plaster core within two sheets of heavy grade paper – which is quicker and easier to apply.

In 1990, British Gypsum, a subsidiary of UK-based BPB Industries, Europe's largest plasterboard manufacturer with a turnover of £1.1bn, outbid its two main rivals German producer Knauf and French group Lafarge – then involved in a bitter three-way price war throughout Europe – to win exclusive rights to gypsum from Drax.

Shortly afterwards, the company – which has approximately a 60 per cent share of the UK plasterboard market – gained a similar concession from Powergen's Ratcliffe-on-Soar FGD station in Nottinghamshire.

"Neither BG nor National Power will say what was paid for the 15-year deal at Drax. But the generator says it will only make a small contribution to the £680m capital cost of the FGD plant. Mr Alan Turner, BPB chairman, says the price will make the cost of desulpho gypsum equal on average with extracting the natural material from BG's extensive mines at East Leake and Barrow. Processed natural gypsum costs on average £18-£20 a tonne – about 10 per cent of the cost of finished plasterboard.

Industry commentators say BG's [illegible] were partly a spoiling tactic to stop Knauf and Lafarge gaining local supplies of gypsum. Knauf and Lafarge have to import all their raw material by ship, adding to costs. Mr Turner says that winning both contracts was "part of our strategy to remain the lowest cost producer in the UK".

Knauf, however, recently secured a deal with ICI which is building a [illegible] plant at its paint factory near the privately-owned German company's Humberside works. This will produce gypsum by an equivalent process, which strips [illegible] from the ICI factory's [illegible].

Because it is a high-bulk, low-value material, transport costs are critical to the economics of gypsum production. Road haulage costs about £5 a tonne for each 100 miles. Rail costs are approximately half. BG could not be luckier: East Leake, the largest of its four factories, is virtually next door to Ratcliffe and two other plants are within easy reach of Drax.

Knauf, meanwhile says it pays about £8.50 a tonne for shipping desulpho gypsum from Germany, while Lafarge imports quarried rock from Spain.

Because BG has to take all the material from both stations, industry sources say supplies may outstrip the company's demands. With Drax running at near to full generating capacity and all six of the FGD units installed, gypsum output will be 800,000-1.1m tonnes a year and from Ratcliffe roughly half this range.

The amount of gypsum produced is dependent on two main factors: the electricity output of the station and the proportion of sulphur in the coal. National Power says it plans to run Drax at "base load" – at or near to 24 hours a day, throughout the year – while using smaller stations intermittently to boost the grid when national demand is highest. But the sulphur level of the British coal it buys is relatively low, meaning less desulphurisation will be required. Output is therefore likely to be at the low end of the predicted range.

A tonne of gypsum is needed to produce 100 sq m of plasterboard. If the combined output of Drax and Ratcliffe is 1.2m tonnes a year, this will be enough to produce 120m sq m of plasterboard. Demand for boards in the UK is forecast by NatWest Securities to grow from 150m sq m in 1994 to more than 180m in 1999.

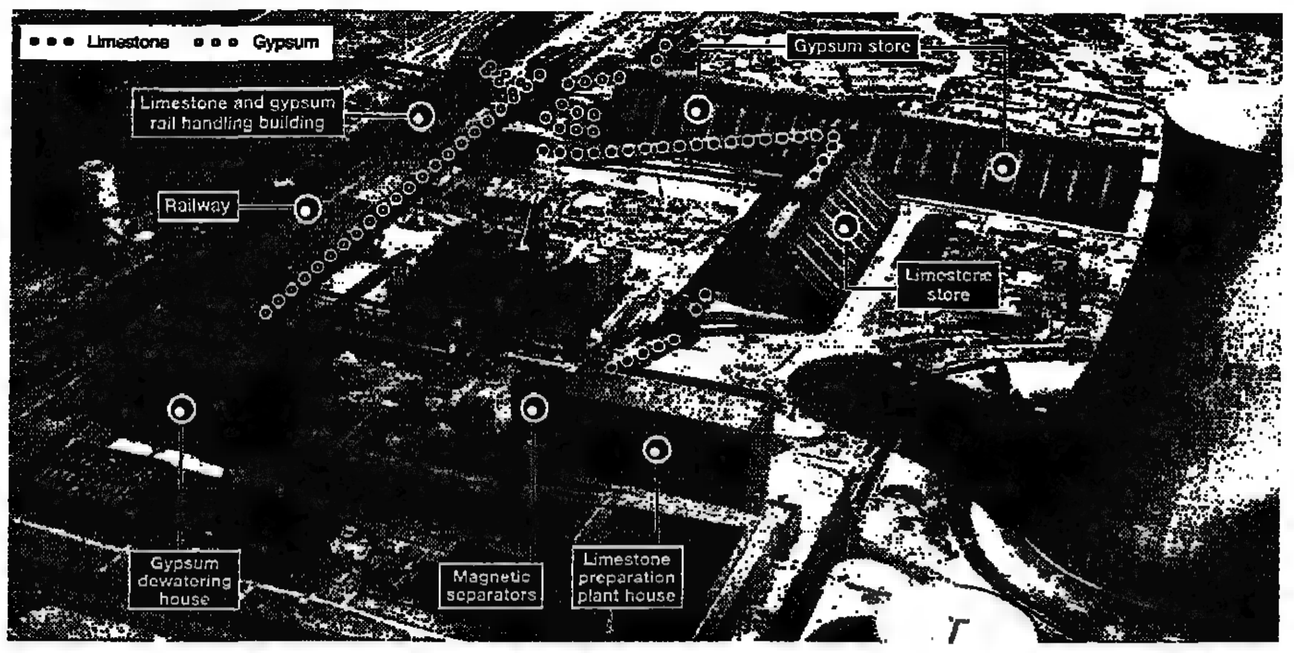
Mr Turner says BG, which has four plants, plans to use desulpho gypsum in a third to half of its board production and a smaller amount in its bagged product, mixed with the ground natural rock. But if its 60 per cent of market share remains the same, the company's sales of board will be less than 110m sq m by the end of the decade, according to NatWest's predictions.

Even if BG decides to use 100 per cent desulpho gypsum in its boards, if there is another [illegible] in the building industry the company could be left with very large stockpiles of gypsum on its hands. One industry commentator suggests that BG would have to dump the material in its own used [illegible]. But Mr Turner says BG can cope with 150m tonnes a year. The company is developing new uses for the material, benefiting from the group's experience in Germany where BPB has a market share of almost 50 per cent.

New uses of the material, that Mr Turner is prepared to disclose, include ingredients in concrete flooring screeds and an additive to control the setting time of cement. There are other, undisclosed, possibilities that BPB's researchers are also investigating, he says.

The author is the features editor of Building magazine.

Materials handling plant



■ Materials handling system

Remarkably few problems

One of the best ways to grasp the scale of the FGD project at Drax is to consider some of the statistics generated by the materials handling facility which has been built over the past three years by Birtley Engineering, part of Taylor Woodrow.

Going round the facility is a useful experience. In part it is a mountain walk – through a store 310m long by 38m wide that can hold as much as 60,000 tonnes of gypsum. Elsewhere, it turns into a stiff climb up one of the steeper of the 3.2km of conveyors.

En route, visitors pass through the dedicated rail handling building, which can unload 1,600 tonnes of limestone from a train in 60 minutes, and load 1,000 tonnes of gypsum in 100 minutes.

The system is the most visible part of the "balance of plant" that supports all three pairs of FGD units being built by Babcock Energy. It is a panoply of hoppers, conveyors, drag-link feeders, scraper reclaim machines, belt weighers, trash screens, magnetic separators and other materials handling equipment.

Individually, all the equipment is of a well tried and tested in other material handling applications. "There are no prototypes here," says Mr Ivan Harris, Birtley's engineering director. What is new is the collective use to which the components have been put.

No other FGD projects approach Drax in the scale of the materials handling challenge. Counterparts in Europe are much smaller and rely on road transport for delivering limestone and ferrying away the gypsum. At Drax, National Power has to use rail for the bulk of its transport needs, so in that respect it had to start designing the handling system from scratch.

In other respects, the system's designers could look around at other FGD plants and draw on the considerable materials handling knowledge already within National Power and its antecedent, the Central Electricity Generating Board. The Drax power station alone handles 10m tonnes of coal a year and 300,000 tonnes of ash byproducts.

Just as with the main FGD process itself, engineers had various alternatives to choose from when working out how to design a system that, when fully operational, will typically handle 960,000 tonnes of limestone a year and 800,000 to 1m tonnes of gypsum byproduct.

There were, for example, three main ways that the gypsum could be moved round the system, says Mr Alan Myers, a National Power project engineer who has worked on the Drax FGD materials handling project since 1988: pneumatic conveying through pipes, slurrifying it, and conveying it as a powder. The first two would have required drying equipment and big tanks respectively, and using conveyors was the preferred method in Germany, Japan and the US.

Similarly, in discussions with several equipment suppliers and users, it decided that a batch loading system in the rail handling building would work better than a [illegible] system. Batch loading would be more economical for an FGD operation of Drax's scale.

The end result was a system that is conservative in design, with considerable duplication of equipment such as hoppers, reclaim machines and conveyor belts to ensure security of supply, along with proven individual plant. Mr Paul Chapman, National Power's project manager at Drax, says this was partly because the CEGB was inherently conservative in its design methods. "But it was probably right to be so in this case, given the size of the project," he adds.

It was also a factor that casts National Power and its predecessor in the role of "informed customer," as Mr Chapman puts it. As well as laying down the performance criteria of the system – which is as far as many utilities go nowadays in designing power stations or related projects – it was also quite specific about the type of plant to be used.

However, if the end result bears a striking resemblance to the original CEGB specification, much of the detailed design work was carried out by Mr Harris and his team at Birtley, which in 1989 won a closely-fought contest for the contract, worth £24m-25m currently. Birtley specialises in such contracts, and was responsible for purchasing all the plant from subcontractors, apart from sampling equipment which it makes itself.

The project is essentially in two halves, each of which has a store in the middle. The first begins with the limestone being dropped from the rail wagons into hoppers and taken via a conveyor to the limestone store, which can hold about 45,000 tonnes – about 14 days' supply depending on the type of coal used. It is then reclaimed from the store, passed through trash screens – giant sieves – and magnetic separators before ending up in the process plant bunkers, which represents the start of the Babcock contract.

At the other end, the gypsum material handling route begins as it leaves Babcock's dewatering plant building, from where it is taken to the gypsum store. From there it is reclaimed and conveyed directly to the rail loading facility, or the road facility for shorter journeys. Because gypsum is tacky, and still damp from the FGD process, it was important to avoid any bunkers between the store and the rail building, says Mr Harris.

The feature of both stores is the reclaim equipment – in each case, two portal scraper reclaim machines which move along the store automatically and pick up the material with chain scrapers suspended from a portal frame. The equipment, made by PWH in Germany and incorporating Hungarian steel fabrications, is the only non UK-sourced plant in the materials handling project.

Designers of the materials handling system have had to bear a number of factors in mind. First, they have had to ensure it does not conflict with the normal operation of the plant and its transport arrangements. In particular, the rail link has involved nearly 5km of extra track and has been designed with two spur lines to avoid snarling up traffic on the Aire Valley rail network, which is vital for delivery of coal trains to Drax.

Secondly, the design has had to take the environment into account. The stores and conveyor belts are covered, and dust control equipment has been installed at each limestone conveyor transfer point.

Not least, though, the design has had to keep running costs to a minimum and give maximum operators as much flexibility as possible. Mr Tim Clarke, production manager at Drax, says the materials handling system would be unmanned to all intents and purposes, apart from two men to handle the loading and unloading of the trains. The system will be monitored by closed-circuit television.

Final proof of how the system works will not come until 1996

Final proof of how the system works will not come until 1996 when the FGD project is completed. So far, however, it has come together with remarkably few problems – National Power for example, made adjustments early on to the gypsum store reclaimers to ensure their speeds are consistent, and other hitches have been minor.

The success of the project is due partly to a good initial design and to a rigorous risk assessment exercise at Birtley, which has only recently been taken over by Taylor Woodrow when it won the contract and needed to prove itself to its new parent.

Andrew Baxter

Sara Knight examines German experience with FGDs

State-of-the-art technology

In the early 1980s, reports of forests dying from acid rain pollution were horrifying the German public. Power stations were soon identified as a leading culprit and the West German government reacted swiftly by passing the Large Combustion Plant Ordinance (LCPO) in July 1983. A massive FGD programme began.

No other country in the world has carried out a power station desulphurisation programme remotely comparable with that in West Germany during the years 1983 to 1988.

The Ordinance laid down strict sulphur dioxide emission limits for existing and new plant and all large West German power stations using fossil fuels were retrofitted with desulphurisation plant over this five-year period.

Today, SO_2 emissions from power stations have been reduced to just 10 per cent of the original amount in 1983. In 1991, specific SO_2 output from coal and oil power stations in Germany was by far the lowest in Europe at 0.92 grams per kWh. Thus Germany already easily fulfils the European Community directive passed in 1988 on large combustion plant. This requires a reduction in SO_2 emissions in Germany of 40 per cent by 1993, 60 per cent by 1998; and 70 per cent by 2003, compared with 1980 levels.

The EC directive required that only new power stations were fitted with desulphurisation plant. Retrofitting of old plant was not obligatory and has only been carried out in Germany.

The German Utilities Association in Frankfurt, VDEW, says DM15bn was spent on the FGD desulphurisation campaign – while a further DM7bn was invested in de-NOX plant – over the period 1983 to 1988 in Germany.

The annual expenditure on FGD operation amounts to DM3.5bn

The annual expenditure on FGD operation, including servicing capital costs, amounts to some DM3.5bn. This adds 1.5 to 2.0 pfennig per kWh to the cost of electricity generation. For comparison, in mid-1993, industrial customers were paying an average 19.74 pfennigs per kWh for their electricity, not including the average 7.5 per cent German coal support levy.

German unification has resulted in a new-wave of FGD retrofitting in eastern Germany, in large power stations which burn brown coal. A total of eight 500MW units at [illegible]berg and Jaenschwalde will have desulphurisation plant installed. The total 8,000MW of brown coal-fired capacity will have to be closed down by the end of June 1996 – the LCPO deadline applied to eastern Germany.

How necessary this new desulphurisation campaign had become is illustrated by the fact that in 1990 East German SO_2 emissions were 5.24m tonnes; 10 times higher than those in West Germany although electricity production in the east was just one tenth of that in the west.

In practice, German coal power station operators use almost exclusively the so-called limestone wash process because a ready market can be found for gypsum, a byproduct. The utilities and the building industry began talks promptly when it became clear what volume of gypsum would be produced and alternative disposal arrangements have evolved.

In some cases, the building materials industry has set up shop close to the power stations. For example, Rigips built a new plasterboard factory at Gelsenkirchen-Buer within an easy pumping distance of three Veba Kraftwerk Ruhr (VKR) power stations. These now supply 250,000 tonnes a year of gypsum in water suspension through pipes to the Rigips factory, accounting for half of VKR total gypsum production from its power station capacity.

In other cases, the fact that power stations operate at high load in winter but the building industry is in full swing in summer means the gypsum must be stored before being transported during the warmer months to different parts of Germany.

Fortunately, the German gypsum market has a volume of about 4m tonnes while "hard coal" power stations produce 2.5m-2.8m tonnes a year.

The sale price achieved for the FGD gypsum generally covers only the cost of storage and transport, making no contribution to the costs of operating the FGD plant.

The story for gypsum produced from brown coal power stations FGD plant is rather different.

Partly due to the much higher sulphur level in brown coal, the gypsum byproduct is yellow in colour and not of optimum quality. As a result, German coal power station operator RWE Energie has trouble marketing its gypsum. But because the huge holes left by open-cast brown coal mining have to be filled, disposal of the brown coal FGD-produced gypsum has not proved too much of a problem.

When the German desulphurisation programme began, there was some criticism that although the benefits to the environment were clearly very great, the huge investment involved would prolong the life of generally inefficient power stations.

In particular, brown coal power stations in eastern Germany have an efficiency of just 28 per cent, so that more than 60 per cent of the fuel input is lost as heat through the cooling towers. The FGD plant itself also reduces both hard and brown coal power station efficiency by about 1 per cent through the power consumption necessary for its operation.

Regardless of such criticism, FGD now makes state-of-the-art power station technology in Germany. In fact, last year, leading utility Preussenelektra decided not to use the new coal gasification method for a 500MW hard coal power station to be built at Luebeck, which would have done away with the need for an FGD plant. It decided to use conventional technology with FGD instead, concluding that efficiency and emissions would be comparable.

A 500MW hard coal power station planned for Rostock is at the beginning of the next century by east German utility Veag is also on the drawing board as a further-improved conventional hard coal-fired plant with FGD.

In eastern Germany, several new 800MW brown coal units with FGD are under construction or planned.

The author is a regular contributor to the Financial Times Newsletter Power in Europe.

TECHNOLOGY

Japanese elevator girls bow out

For [redacted] Japanese, one [redacted] the pleasures of shopping in up-market department [redacted] has [redacted] riding the lifts, operated by "elevator girls" – smartly dressed in designer uniforms, bowing and smiling while pressing the buttons [redacted] each floor.

Selecting the floors of the automated lifts has long been considered an important "service" by both [redacted] and [redacted]. But due [redacted] the consumer slump and [redacted] technology, Japanese shoppers [redacted] soon find themselves pressing their own lift buttons [redacted] being greeted instead by a computerised screen.

Many department [redacted] operators are now being forced to [redacted] their operations because of the sharp fall in retail spending, especially [redacted] luxury items. The economic downturn [redacted] brought about [redacted] radical change in consumer spending patterns, and [redacted] prestigious operators [redacted] falling into the red.

Fujitec, [redacted] leading elevator maker, [redacted] have [redacted] answer for [redacted] department [redacted] operators caught between [redacted] need [redacted] cut [redacted] and customers who still consider a smile and a warm welcome [redacted] an important attraction.

The company [redacted] developed jointly with Sanyo Electric [redacted] computerised information system for department [redacted] lifts [redacted] female attendant [redacted] smiles and bows, reciting wares [redacted] customers. A system for four elevators [redacted] around Y10m (£60,000), which Fujitec [redacted] is cheaper than hiring [redacted] elevator girls.

A customer entering the [redacted] will [redacted] greeted by [redacted] female [redacted] display [redacted] lift door. While [redacted] moving, [redacted] will display product and shopping information, [redacted] when the [redacted] stops, floor information will flash on [redacted] the [redacted] followed by [redacted] bowing attendant.

Fujitec says [redacted] inquiries from several department stores. [redacted] company says [redacted] system [redacted] also [redacted] for screening advertisements or [redacted] in [redacted] in ordinary office buildings, providing something for people [redacted] look at.

Emiko Terazono

Back on track

Monoclonal antibodies are in favour again, thanks to new approaches to their use, says Victoria Griffith

Just 18 months [redacted] antibody clones made in laboratories [redacted] considered [redacted] bane of the biotechnology industry. Known as monoclonal antibodies, they destroy disease-causing cells by binding [redacted] targets such [redacted] cancer.

The earlier hype surrounding antibodies in the [redacted] silenced in 1992 when the [redacted] Food and Drug Administration unexpectedly refused [redacted] biotechnology groups, [redacted] and Centocor, approval for drugs based on monoclonals, [redacted] the grounds that their [redacted] had not been convincingly demonstrated. "The FDA's denial [redacted] not only monoclonals a bad name, it gave the entire biotechnology industry [redacted] bad name," one biotechnology [redacted] says.

But rumours [redacted] monoclonals' demise may, in the words of Mark Twain, have been greatly [redacted]ated. Monoclonal antibodies [redacted] making [redacted] strong comeback. Cytogen has [redacted] approval for a monoclonal antibody product for [redacted] in imaging ovarian and colon [redacted] and other antibody-based drugs – including a cardiovascular product by Centocor and an infectious [redacted] diagnosis aid by Immunomedics – [redacted] in phase three trials, the final stage [redacted] the FDA hearing.

The industry predicts that within a few years many monoclonals should [redacted] market. "We'll [redacted] a few approvals in 1995, and by 1997 there will [redacted] slew of new products [redacted] on monoclonals," [redacted]uel Waksal, chief executive [redacted] of ImClone Systems, [redacted] York biotechnology group.

Since monoclonal-based antibodies target [redacted] diverse [redacted] cancer, asthma, Aids [redacted]cular disease, the potential [redacted] drugs [redacted].

Monoclonal antibody research has [redacted] up [redacted] the past few years. In the 1980s, most attention [redacted] focused on mouse antibodies.

But these gave disappointing results in humans. The body's immune system often recognised [redacted] antibodies [redacted] foreign and attacked them, [redacted] best rendering [redacted] ineffective [redacted]ing adverse reactions.

For these [redacted] mouse anti[redacted] probably nearing obsoles[redacted]. In their place is [redacted] far [redacted] flexible approach.

"People have figured [redacted] much better how antibodies work, and that gives us [redacted] lot [redacted] leeway," explains Donaldo Drakeman, president of Medarex, [redacted] in Princeton, New Jersey. "We [redacted] chop them up, glue different fragments together, create our own versions."

One problem with the original monoclonal research, according to James Rusche, vice-president of discovery research at Repligen in [redacted]ton, was that companies [redacted] pursuing the wrong targets. "Originally, the focus [redacted] on antibodies found on [redacted] organs like lungs and kidneys," he says. "But it is hard for an antibody to get inside a solid [redacted] tumour. It [redacted] much easier to target circulating cells, [redacted] found in the blood like platelets, T-cells or circulating [redacted] cells like leukaemia."

[redacted] trend [redacted] towards the use of antibody parts, either in the form of fragments (antibodies broken into pieces through the use of enzymes) or single chains (antibody pieces [redacted] in [redacted] laboratory). Many sci[redacted] believe that by chiselling the antibody down to the section responsible for binding, they [redacted] a [redacted] effective response.

"The advantage of using frag[redacted] they [redacted] lighter, can [redacted] faster in the body and therefore have [redacted] faster effect," says Rusche. "The disadvantage is that they have a shorter life, so you have to administer them more often."

Many of the antibody products [redacted] in development – such as the Aids treatment of Medarex, also in Princeton – are fragments.

Some scientists believe the smaller pieces [redacted] be able to penetrate large masses like tumours. "Fragments and single chains are the best hope for entering organs," says Douglas Hulse, vice-president of business development for Enzon, [redacted] biotechnology group. "Intact [whole] antibodies are just [redacted] bulky."

However, sceptics point [redacted] that most fragments are also too large [redacted] penetrate organs [redacted] tumours effectively.

Antibodies [redacted] be "designed" for specific functions. An extra binding capacity, for instance, can [redacted] added to produce a "bispecific" antibody.

Many companies [redacted] "libraries" of different antibody designs that they screen for various effects.

Researchers believe [redacted] trend will continue away [redacted] mouse antibodies towards humanised or human antibodies. [redacted] genetically altered to produce human antibodies, and through laboratory engineering, companies have come up with [redacted] number of hybrid "chimerics", half-mouse, half-human.

"Intact [redacted] monoclonals [redacted] probably a thing of the past, but intact humanised [redacted] human anti[redacted] important [redacted] trend," says Hubert Schoemaker, chairman of Centocor. By humanising the antibodies, scientists hope they will be [redacted] acceptable [redacted] human immune system. A number of [redacted]panies – including Centocor and Genentech – [redacted] making [redacted] of chimerics in research [redacted] fight cancer, asthma and inflammation.

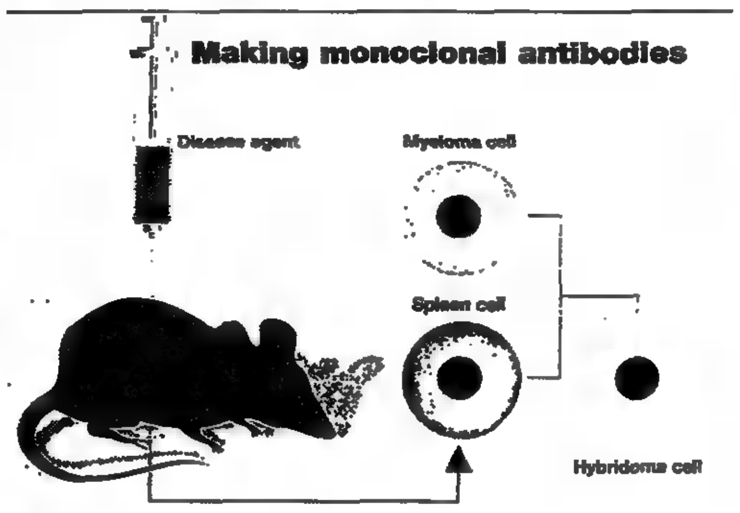
At the [redacted] time, companies [redacted] trying to bring down costs through [redacted] efficient production methods. Enzon, for example, [redacted] developing a way to produce antibodies through fermentation. "By eliminating the [redacted] part of the equation, the cost of antibody production [redacted] be heavily reduced," says Hulse.

The next step in antibody research, according [redacted] Waksal of ImClone, is [redacted] induce the body to make [redacted] own antibodies. ImClone is working [redacted] what it calls "anti-antibodies". By using antibodies [redacted] mimic certain diseases, the company's scientists hope they [redacted] induce the body to p[redacted]ce its [redacted] immune response.

"The antibody would be fooled into thinking that [redacted] is [redacted] cell, for example," Waksal explains. "The advantage of this approach, [redacted] opposed to constantly injecting the patient with antibodies, [redacted] that the medicine has a longer effect, working like [redacted] vaccine against cancer."

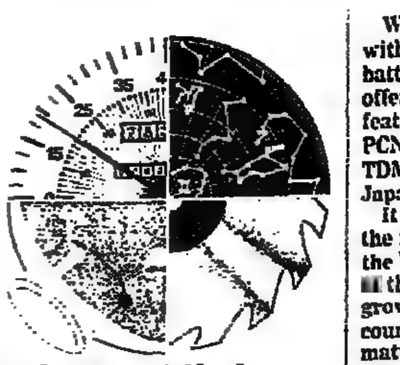
Most monoclonal antibody products still have [redacted] of hurdles to clear before they reach the [redacted]ket. Their short [redacted] span [redacted] the body poses serious problems for treatment. Whole antibodies, for instance, would probably have [redacted] administered intravenously every few days, and fragments every few hours. Obviously, they [redacted] not practical for any long-term treatment.

Moreover, [redacted] not certain how efficiently some of the [redacted]clonals will bind to their targets, [redacted] whether they will [redacted] any adverse effect in humans. Still, scientists have [redacted] far better understanding of antibodies than they once did, and have far [redacted] options in their development. From the dark days of being an embarrass[redacted] to the entire industry, [redacted]clonal antibodies may [redacted] as a big impetus for the biotechnology sector.



[redacted] step [redacted] inject [redacted] mouse [redacted] disease-causing [redacted] and [redacted] antibody-producing cells [redacted] its [redacted]pleen. These are fused in the laboratory [redacted] myeloma (cancer) cells [redacted] hybridomas – immortal antibody-producing cells that grow and divide indefinitely in a fermentation tank. One hybridoma can produce billions of clones, all producing the same monoclonal antibodies. Such antibodies have occasionally been [redacted] on their own [redacted] body's natural cell-killing [redacted]. But [redacted] usually [redacted] more [redacted] by linking them to a poison molecule or to [redacted] isotope.

Worth Watching · Andrew Fisher



Robots get their marching orders

[redacted] on [redacted] march. In [redacted] US, Frost [redacted] Sullivan Market Intelligence [redacted] the robot [redacted] from $592m (£400m) in 1992 [redacted] $1.2bn by [redacted]. Pushing th[redacted] expansion [redacted] nearly 11 [redacted] compound growth [redacted] will be competitive pressures for greater productivity [redacted] quality [redacted] lower [redacted].

[redacted] increasingly [redacted] replace [redacted] in [redacted] environments, partly in [redacted] soaring medical compensation costs, and in complex automation systems. [redacted] now, the [redacted] Europe [redacted] Japan [redacted] world's largest buyer [redacted] robots) [redacted]. Frost [redacted] Sullivan: US. [redacted] 9000 UK, 71 [redacted].

Squeezing in the compact kitchen

An Italian [redacted] which [redacted] appliances [redacted] US [redacted] turned [redacted] attention [redacted] the [redacted] and [redacted] with a compact [redacted] combining a refrigerator, freezer and microwave.

Taking up only a quarter of a [redacted] metre, [redacted] designed mainly for offices, hospitals and surgeries, hotels, factories and apartments. [redacted] product, [redacted] Kitchoo, [redacted] only [redacted] and [redacted] (£574), it was developed [redacted] a study by [redacted] French business [redacted] Group: France, 45 488383.

Ringing in a [redacted] lightweight phone

Nokia, [redacted] Finnish [redacted] phone manufacturer, this month launches what [redacted] claims is the smallest [redacted] lightest mobile phone for the [redacted] digital networks springing up worldwide, writes Andrew Adonis.

Weighing less than 200 grams with a special lightweight battery, the Nokia 2110 "family" offers the same basic design and features for Europe's [redacted] and PCN networks, the American TDMA standard and [redacted] emerging Japanese Digital [redacted] System.

It intensifies competition in the market for digital handsets, the high price of which is one [redacted] the main obstacles to the growth of digital networks in countries – such as the UK – with mature analogue networks.

Nokia is likely t[redacted] launch the 2110 on the UK market at a price competitive with existing Siemens and Motorola digital handsets, which retail at between £250 and £300. Nokia Mobile Phones: UK, [redacted] 434343.

People-mover on a low-cost journey

A unique tram system powered by a rechargeable flywheel has [redacted] week been awarded [redacted] UK patent, writes Tim Burt.

JM Parry Associates, [redacted] company which developed the system, claims it offers [redacted] low-cost alternative [redacted] light rail systems relying [redacted] overhead [redacted] or electrified rails.

Local [redacted] to [redacted] number of UK cities have already conducted tests on the Parry People Movers, which operate on narrow gauge tracks which fit on [redacted] existing roadways or sidewalks. The tram [redacted] are powered by electricity supplied through short [redacted] rails along [redacted] track. At each halt, the flywheel recharges for the [redacted] of the journey. JM Parry Associates: [redacted].

Television takes on a wider role

Television pictures as [redacted] sitting room [redacted] reality with [redacted] development [redacted] Home Theatre by MGM, [redacted].

The system [redacted] like the wide-screen TVs used in [redacted], but is designed for the home. The pixels are magnified t[redacted] lessen the gaps between them and thus eliminate the picture [redacted] present systems. An absolute colour [redacted] given [redacted] pixel [redacted] than the conventional system in which an [redacted] is [redacted] up by the eye blending red, green and blue [redacted]. [redacted] sale from June, it will [redacted] than [redacted] AEEC (MGM licensee): US, 510 [redacted] 1259

PEOPLE

Provident move to RBS venture

[redacted] Chippendale is to [redacted] up [redacted] which [redacted] seek [redacted] emulate [redacted] success of Direct Line, [redacted] rapidly growing "direct" motor insurer owned by the Royal Bank of Scotland. Royal Bank announced its plans to launch [redacted] new company, which will specialise in sales of non-standard [redacted] home policies, last November.

Chippendale, 45, has been an executive director at Provident Financial, [redacted] successful consumer credit and insurance company, since [redacted] Chippen[redacted] responsibility for the group's operating companies in the insurance sector – including Halifax Insurance, a motor insurance underwriter which specialises in [redacted] drivers, and Colonnade Insurance Brokers, [redacted] chain of registered brokers – as well [redacted] overall responsibility for [redacted] group's corporate development. Chippendale will work closely with Peter Wood, the founder of Direct Line, who will be [redacted] executive chairman of the new [redacted]. It will [redacted] launched before the [redacted] of [redacted] year and initially will be based in Leeds.

Wood will invest £1m and [redacted] 40 [redacted] cent of the [redacted] company, with Royal Bank investing £1.5m to acquire 60 [redacted] of [redacted] ordinary equity and a further £22.5m in preference shares.

Chippendale's appointment [redacted] announced at the Royal Bank's [redacted] in Edinburgh yesterday where shareholders approved with only one dissenting vote a deal which replaces Peter Wood's controversial bonus arrangement with the bank. Wood, who received £18m [redacted] year, [redacted] to be paid a lump sum of £17m plus a contribution [redacted] his pension. [redacted] has also bought £7.5m worth [redacted] shares in the Royal Bank of Scotland.

Non-executive directors

Lionel Stammers, who resigned from BTR last month, [redacted] joining [redacted] board of TOMKINS, another acquisitive conglomerate. Stammers, 60, is [redacted] of [redacted] non-executives joining [redacted] boardroom [redacted] has traditionally been dominated by executive directors.

Apart from Stammers, whose 29 years at [redacted] covered its growth [redacted] stock market minnow into Britain's ninth biggest [redacted], Jim Butler, [redacted] a former senior partner of KPMG Peat Marwick, and David Crowe, 54, a former senior partner of Gouldens, [redacted] city law firm, are joining Tomkins' board on March 1.

Crowe [redacted] currently an [redacted]tive director of TT Group, a small conglomerate which, [redacted] Tomkins, was [redacted] up by [redacted] former head of acquisitions at Hanson. Crowe's [redacted] law firm [redacted] Hanson's legal adviser.

Greg Hutchings, Tomkins' chief executive, says that [redacted] three [redacted] will bring different things to [redacted] board[redacted]. In Stammers' [redacted] it [redacted] operational skills. Crowe's legal expertise will help [redacted] that Tomkins complies with the Cadbury committee [redacted]mendations and Butler will advise [redacted] accounting standards and internal control ([redacted] Observer).

■ Chris Tideman, a retail consultant who [redacted] formerly chief executive, [redacted] services and development for the Burton Group, [redacted] GROUP, formerly Amber Day Holdings.

■ [redacted] Alan [redacted] Munro, former ambassador [redacted] Arabia, [redacted] SCHRODER ASSEILY.

■ Philippe Payen has resigned from PHOTO-ME INTERNATIONAL.

■ Alan Henderson, vice-president of administration at Ranger Oil, [redacted] BAKER HARRIS GROUP.

■ Calum MacLeod, chairman [redacted] Grampian Television, at BRADSTOCK GROUP.

Rhys and Chapman join WDA

[redacted] reshaping of the Welsh Development Agency, after last year's blistering criticism by the [redacted] public [redacted] committee, continues apace. John Redwood, Welsh [redacted]tary, [redacted] strengthening the [redacted] with two new members, Garel Rhys [redacted] Rhiannon Chapman.

Rhys, who holds the chair in motoring [redacted] at Cardiff, is an expert on the automotive industry; Redwood descri[redacted] Rhys' expertise as "particularly significant" as the [redacted] industry is now the largest single manufacturing sector in [redacted]. Chapman [redacted] recently director of the [redacted] Society and previously personnel director [redacted] London stock exchange.

They will [redacted] their non-executive posts immediately [redacted] a three-year term under [redacted] Rowe-Beddoe, [redacted] took over as chairman [redacted] July. Roy Thomas, a partner in [redacted] law firm Edward Lewis [redacted] Ashford, [redacted] recently appointed as [redacted] WDA's secretary [redacted] legal director.

One post yet [redacted] is that [redacted] chief executive to replace Philip Head who resigned in October in [redacted] aftermath of the Commons committee report. [redacted]tinuing [redacted] the [redacted] his [redacted] appointed.

■ Meanwhile, Elizabeth Haywood, the European affairs [redacted] WDA, is moving to the Confederation [redacted] British Industry in Wales [redacted] succeed [redacted] Kelsall, its long-serving director.

At [redacted] she has a team of 12 people developing and co-ordinating [redacted] agency's policy [redacted] Europe [redacted] has been responsible for [redacted] to [redacted] the involvement of small [redacted] medium-sized [redacted] enterprises in European markets, especially by encouraging strategic alliances.

Before joining the [redacted] four years [redacted], Haywood, [redacted] is [redacted] worked for the European [redacted]liament [redacted] Luxembourg and Brussels and gained [redacted] doctor[redacted] in French politics [redacted] University College, Swansea.

[redacted] will [redacted] up [redacted] post in March. "My aim [redacted] to [redacted] strong identity [redacted] Welsh busi[redacted] and industry, and I plan to further the already strong links between CBI Wales and [redacted] WDA to achieve this," she says.

Kelsall [redacted] to retire last autumn after [redacted] as director, during which time he [redacted] one of the best-known businessmen in Wales. On a half-time basis, he has since become director of Merthyr Tydfil Business Centre, [redacted] been [redacted] up to encourage [redacted] town's economic growth.

Cicutto flies in to Glasgow for NAB

Clydesdale Bank, the Glasgow-based clearing bank which [redacted] a subsidiary [redacted] Australia Bank, has appointed Frank Cicutto, [redacted] high-flyer [redacted] the parent com[redacted] replace [redacted] Love, [redacted] ceo who died just after Christmas.

Cicutto, 43, [redacted] currently [redacted] for [redacted] South [redacted] Australian Territory, the largest unit in NAB, [redacted] branches and greater [redacted] than Clydesdale. [redacted] up office in Glasgow yesterday but [redacted] not move from Sydney [redacted] Glasgow until the [redacted] half of February.

Love, who [redacted] suddenly during a skiing holiday in France. [redacted] had [redacted] ceo [redacted] Clydesdale for little over a year having previously [redacted] posts with TSB. [redacted] recently launched [redacted] project [redacted] branch banking processing centres and [redacted] telephone [redacted] Clydes[redacted] in Scotland, a project which will involve up [redacted] 800 job [redacted] but will not [redacted] closing branches.

Cicutto has [redacted] with [redacted] for [redacted] years. His [redacted] appointments include general [redacted] of the group's credit bureau and head of [redacted] bank's US operations, based in [redacted] York. [redacted] had not [redacted] land [redacted] this week.

Cicutto is the first Australian to be ceo [redacted] Clydesdale, which NAB acquired in 1987 from the Midland Bank. All previous [redacted] have [redacted] British and there [redacted] only a handful of Australians working in [redacted] bank. However, [redacted] says [redacted] expect to encounter any hostility for [redacted] being Scottish [redacted] he intends [redacted] carry on with the strategy launched by Love. "The direction [redacted] very clear and I am very comfortable with it," he says.

■ Nicolas Guyatt, formerly director at Invesco, has been appointed head of corporate [redacted] at CARNEGIE INTERNATIONAL.

■ Andrew Palfreman [redacted] Gordon Perry have [redacted] appointed mds and Archie McSporran finance director of AITKEN CAMPBELL on the retirement [redacted] Billy Carmichael. Geoffrey Cossey, formerly a director of Warburg Securities, has [redacted] been appointed a director [redacted] Aitken Campbell.

Brigands and violets

Ronald Crichton reviews new productions of Offenbach and Cilea at the Opéra Bastille, Paris

Financial scandals, robbery, law and order - the subject of *Les Brigands* has an enduring relevance while Offenbach's music remains unquenchably alive. This production by Jérôme Deschamps and [illegible] Makeieff, made for Amsterdam and adapted for the Opéra Bastille, uses an assemblage of [illegible] old-type scenery-painted [illegible] paste-board, old methods, old gags and even old costumes from provincial theatre wardrobes. That may sound tatty, but [illegible] blending [illegible] been done with such flair and [illegible] that the result is ravishing, colourful and witty.

The performance crackles with a cheerful vigour calculated to please all except the [illegible] who do not want theatre to be theatrical.

There are problems: [illegible] the [illegible] difficulty in projecting words in the cold [illegible] of the Bastille auditorium. There are two casts of principals. I heard Georges Gautier as Falsacappa (chief bandit), Michèle Lagrange as his daughter Fiorella, Brigitte Balleys in the travesty part of her adored Fragoletto. Pleasing, warm-voiced performances all of them, but only about half their words came over.

Of the permanent cast the ever-reliable Jules Bastin as the chief of the carabiniers, Ryland Davies and Daniel Galvez-Vallejo as the Spanish [illegible] and Manon Gale as the impertinently unreliable [illegible] had more luck. The ballet is [illegible] off and on, the abundance of picturesque [illegible] and sham, though it gave the audience enormous pleasure, did not help the clarity, but the size of the place was chiefly to blame.

Invaluable support came from the conductor (on the night I attended it was Louis Langrée) the soul of crisp discretion in accompaniments, in able control of the ensembles. [illegible] find Offenbach [illegible] where riotous theatricality is so well joined to musical quality.

What better symbol for [illegible] *Adriana Lecouvreur* could there be than a bunch of faded violets? Much is [illegible] and heard of this [illegible] in the libretto, based on an old piece of [illegible] by Scribe and Legouvé, once a vehicle for Sarah Bernhardt. The opera, first given in 1902, has survived chiefly by virtue of two popular arias and, as Julian Budden neatly puts it in the New Grove Opera Guide, mainly because of the "opportunities it affords to an experienced prima donna who has already passed her prime".

There is not much else. Cilea knew all the tricks but his invention is weak. In the well-known aria he explores a genuine [illegible] rather [illegible] melancholy [illegible]. But he works his themes too hard. The ascending phrase associated with the "humble handmaiden" aria is heard almost as often as its cousin in "Depuis le Jour" in Charpentier's *Louise*. Most of the comedy scenes are made out of leavings from *Falstaff*.

Mirella Freni takes the title-role in this new production at the Bastille. Experienced she certainly is but not, on this evidence, in decline. There was some hard tone, but she controls and floats the lyrical phrases with undiminished charm and skill. Still, she hardly [illegible] the burning fires of the tragedienne, rather the quiet [illegible] and poise of a polished, versatile [illegible] - more Marie Tempest than *monstre sacré*.

Peter Drovsky, singing Adriana's lover Maurizio in place of the announced Giacomo Aragall, was effective in his forceful way except when he forced up phrases as if he were already on the battlefield. As Michonnet, loyal and devoted stage director, Jean-Luc Chaignaud, a baritone of whom we shall surely hear more, did full justice to the best of the male roles.

The young conductor Maurizio Benini accompanied skilfully without spurring the orchestra to much eloquence. Production by Jean-Luc Boutté, décor and costumes by Louis Bercut, were accomplished to the point of stinginess; Bercut's [illegible] on the other hand were very fine.

Les Brigands is sponsored by France Inter.

'The Corporate Rope' by Alfred Daniels, which will be on show at Art 94 next week

Profitable revenge for Lloyd's loser

Manya Igel is the stuff of TV documentary dreams: a widow, a stranger to this country, who was taken in by the siren voices of Lloyd's of London and lost her hard earned £100,000. But Manya Igel is also an art dealer and she is gaining a profitable revenge by commissioning each year a painting which warns of the pitfalls of Lloyd's.

Last year artist Alfred Daniels painted "The Buskers of Lloyd's" depicting three former Names, one shirtless, in penury outside the tubular [illegible]. It quickly sold, to the wife of a Lloyd's Name for £3,650. This year Daniels has painted "The Corporate Rope". Are the bowler hatted executives of the City companies that Lloyds sees as its financial salvation propping it up, or is the rope so frayed that it is bound to tumble? Priced at £1,800 it will be on Igel's stand at Art 94, the contemporary art fair which opens at the Business Design Centre in Islington on January 19.

Manya Egel will also be showing such popular Establishment artists as Ken Howard, Bernard Dunstan, Diana Armfield and Mary Fedden. As she ruefully admits "I wish I'd put all my money into paintings. Then if the worst came to the worst I could have got something for them."

Art 94 gives 70 dealers the chance to discover whether the upturn in the art market has finally arrived. [illegible] £50, [illegible] spending over £1,000 qualifies for a two flights for the price of one [illegible] on a Virgin Atlantic flight to the US. Virgin Communications is showing off its art [illegible] at the Fair, including works by Paula Rego, Tony Bevan and Fiona Rae. The enthusiast is not Richard Branson but Robert Devereux, chairman of Virgin [illegible]. Virgin now [illegible] contemporary artists in its Upper Class lounge at Heathrow and recently sold a Glynn Williams sculpture to David Bowie.

Antony Thorncroft

Concert

Piano duo par excellence

Two pianists on a single concert platform, whether performing on one instrument or two, tend to be assigned to the fringes of the musical profession. The dazzling qualities of Yaara Tal and Andreas Groethuysen, whose recital at the Wigmore Hall on Wednesday marked their London debut, helped shed new light on why this general marginalising process has come about, and why - at least on such occasions as this - it can seem so wastefully unjust.

The historical background to the two-pianist performance tradition has much to do with it (before the arrival of the gramophone, the transcription of orchestral and operatic works for four pianistic hands was the most popular way of disseminating them throughout the music-loving public). But too often, even the novelty has worn off, the concert-hall pairings of even the most celebrated pianists can prove more enjoyable for the performers than for the audience.

Not this time. The European reputation of this young duo preceded them here - the Israeli Tal and the German Groethuysen have been working together for eight years, with already six records on the Sony label to their credit. The pleasures of listening to them on Wednesday, in an entirely four-hand, single-keyboard programme, revealed themselves as exactly those of the best chamber-music-making: all freak elements of muscularity, gymnastic display and co-ordinated trickery had been purged from the experience.

These two are both superb individual artists - Tal upper line on the higher lines, Groethuysen's [illegible] yet solid [illegible] amply fill out the lower - whose personalities and characteristics contrast and balance each other with satisfying exactitude. As in the best chamber-musical team-work, the highest degree of ensemble co-ordination can be taken for granted: it is always directed outwards, beyond the frissons of the immediate moment.

They opened with a "display" sonata (in C minor, op. 10) by Czerny, the Beethoven pupil and [illegible] piano pedagogue. What might in other circumstances have [illegible] merely [illegible] and flash was here continually exquisite, bold and charming. In Schubert's F minor Fantasia their delicacy of sculpted phrasing and expertise in range of dynamics could perhaps be criticised for diluting the essential ruggedness of the invention. On the other hand, it was not wilting, languid delicacy and expertise, and it touched veins of pathos in the music rarely even hinted.

After the interval Brahms's 16 Waltzes, Op. 39, mounted a catalogue of melodic [illegible] exactly tempered by rhythmic subtlety. The finale, an unattributed transcription of Mendelssohn's C minor Piano Trio, Op. 66, revealed [illegible] every quality that had made the recital so rewarding, and added [illegible] a controlled large-scale bravura that sent one out of the hall on a cloud of happiness and [illegible]. I cannot wait to hear this duo again.

Max Loppert

Into the mind of Modigliani

William Packer admires the collection of largely unknown drawings at the Royal Academy

The life of Modigliani too often gets in the way of the work, especially a life so tragically romantic as his - the doomed, dissolute, handsome artist, unrecognised by the world until dead too soon. What his drawings tell us, however, is that whatever else he was or did, he kept a clear creative intelligence, responding critically to all that he saw about him and resolving it into something unmistakably his own.

Last year, at the Palazzo Grassi in Venice, more than 400 drawings by Modigliani were on public show for the first time. It was certainly the exhibition of the year. If not the decade. Paul Alexandre was Modigliani's doctor first, then his friend. From the time of the artist's arrival in Paris in 1906, at the age of 22, until his own departure for the war in 1914, Dr Alexandre acquired every drawing by Modigliani that he could lay hands on. The two men never met again and Modigliani died of TB in January of 1920. Dr Alexandre lived on until 1968, ever cherishing the intention of publishing his collection along with a memoir of his relationship with Modigliani. It has fallen to his son, Noel, to realise, at last, the paternal ambition.

The scope of the collection is the surprise and revelation, more than doubling as it does the published canon of the artist's graphic *oeuvre*, and transforming our understanding of his work overall. The Alexandre collection now comes to London not in its entirety, but in a selection, made by Mary Anne Stevens of the Royal Academy, of some 240 drawings.

This substantial reduction is both welcome and regrettable. Drawing is a special and often [illegible] study and those who [illegible] more of Modigliani, the mass of them insistently repetitive, were quite enough to daunt even the most committed of connoisseurs. While requiring still the closest critical attention, what seemed in Venice perhaps too severe and exhausting an exercise, should be, in London, so much more readily accessible to a general audience. At 240 or so, nothing of the scope of the collection has been sacrificed; and yet that insistent, testing repetition was, for me at least, rather the point. Swings and roundabouts I suppose.

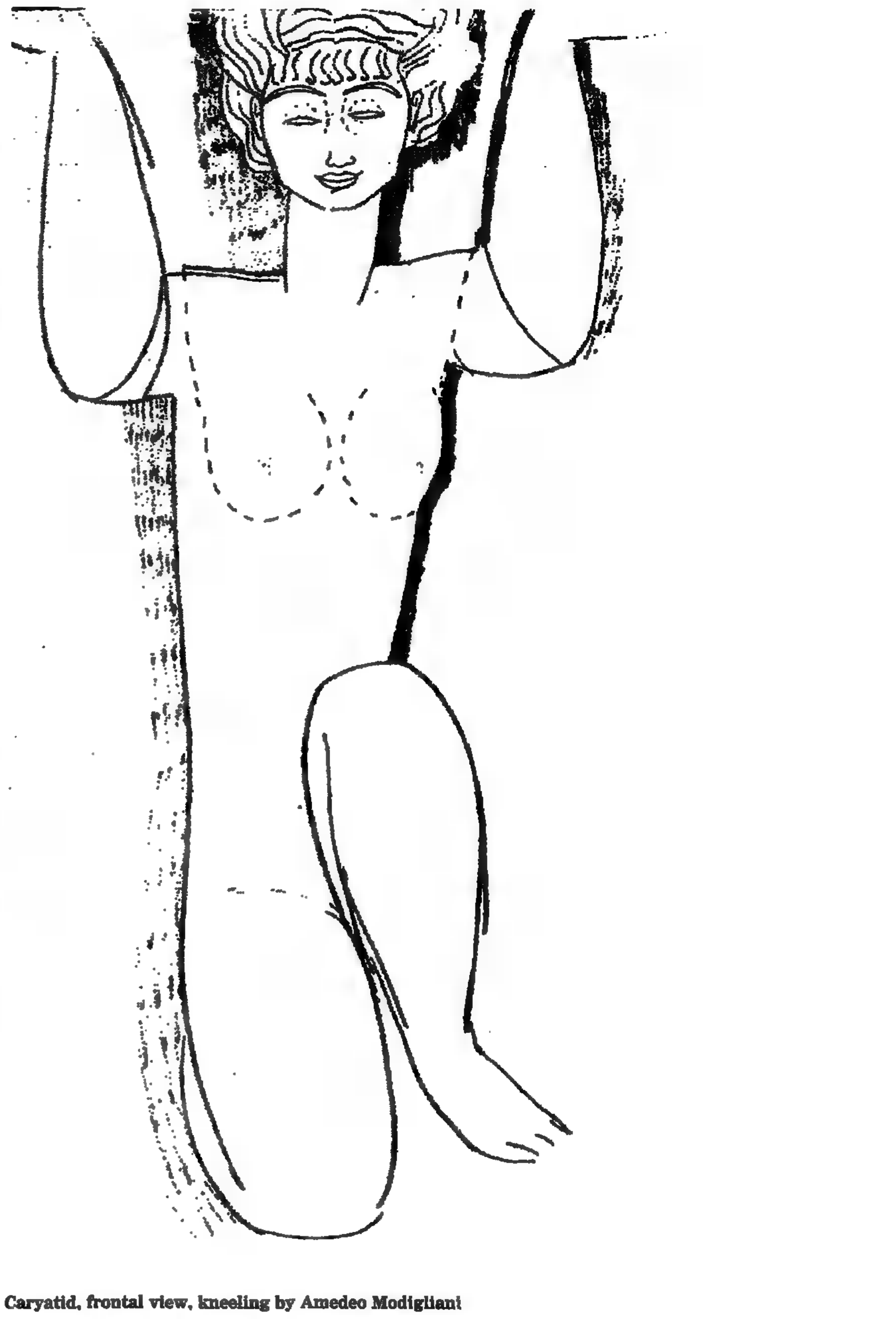
The signal importance of the collection lies in what it tells us, in intimate detail, of Modigliani's development in his work from the first flowering of his talent to the period of its full maturity. It is a period marked by what once seemed abrupt shifts and transitions, in practice as in interest: from painting to sculpture and back to painting; from the direct observation of the figure to an extreme stylisation, based on tribal and classical examples, and back again. What we are now able to see and realise - and I would emphasise that we may do so just as well in Dr Stevens' selection as in the full feast - is that those transitions were not abrupt at all, but natural, consistent and inevitable, the work all of a piece.

Here is the young man, looking now at Lautrec, now at the more decorative expressionism of the Secession, now at the harder expressionism of the Germans, now at the symbolism of early Picasso, with his clowns and *saltimbanques*. But then the image of the figure is sharpened and simplified into something more sculptural. The heads now place him close to Brancusi, but yet these kneeling caryatids with their swayed hips and shoulders, for all that they carry the world on their shoulders, are clearly drawn not by invention but from the model in the studio.

Even the severest of the busts, the most rigid of the standing figures, carry with them the [illegible] not of the [illegible] and abstracted image, carved in stone, but of the living model, flesh and blood. And so it is that the reversion [illegible] to painting, to the portraits and the spectacular late reclining nudes, done long after Dr Alexandre had gone off to the War, come as no surprise at all. It is rather those sculptural qualities, there all the time, that are now the surprise.

The line dances down the contour, with the merest inflexion this way or that. The touch is by turns light, heavy, simple, subtle, crude - so deceptively crude. There it is, conjured out of the barest outline, the palpable human presence in all its weight and volume and living movement. Wonderful.

The Unknown Modigliani: Royal Academy of Arts, Piccadilly W1, until April 4. Then on to Cologne, Bruges, Tokyo, Mexico, Luxembourg, Montreal, New York, Madrid and Rouen: sponsored in London by [illegible] The Guardian.



Caryatid, frontal view, kneeling by Amedeo Modigliani

INTERNATIONAL ARTS GUIDE

Musical controversy

London's claim to be musical capital of Europe is sometimes disputed on grounds of quality, but for variety and quantity it is still unbeatable. Just look at the line-up over the coming weeks.

Next weekend (Jan 21-24), the Barbican and BBC join forces to present a 50th birthday celebration of the iconoclastic English composer John Tavener. The opening performance in Westminster Abbey is Akathist of Thanksgiving, a large choral work not heard since its premiere in 1988. The final concert takes place in candlelight in Westminster Cathedral, reflecting the strong sense of ritual in Tavener's music. The intervening concerts include a performance of his most popular work, The Protecting Veil.

February highlights include the Barbican's Schumann festival presided over by Raymond Leppard (Jan 31-Feb 8), Jonathan Miller's new ENO production of Der Rosenkavalier starring Anne Evans and John Tomlinson (Feb 3), two Opera North concerts at the South Bank Centre devoted to Chabrier (Feb 8 and 9), a Royal Opera production of Cherubini's rarely-performed Chérubin (Feb 14) and symphony concerts conducted by Klaus Tennstedt and James Levine.

March brings the fourth instalment of Towards the Millenium, the South Bank's decade-by-decade journey through 20th century music, which this year advances to the 1930s - the era of Walton's Belshazzar's Feast, Copland's Billy the Kid and Bartok's Second Piano Concerto, all of which will be played by the City of Birmingham Symphony Orchestra under Simon Rattle. The BBC Symphony Orchestra will also present a concert performance of Berg's Lulu.

In late April and early May, there will be a Berio festival at the South Bank, including the UK stage premiere of La Vera Storia. Georg Solti will conduct two concert performances of Così fan tutte on May 3 and 5, and the Royal Opera's new production of [illegible] opens on May 13.

EXHIBITIONS GUIDE

AMSTERDAM

Rijksmuseum Dawn of the Golden Age, Northern Netherlandish Art 1580-1620. Ends March 6. Closed Mon

Museum Het Rembrandthuis The Netherlands from Life: a visual walk through the countryside of 17th century Holland. Ends March 6. Daily

Van Gogh Museum Georges de Feure and Félix Bracquemond: retrospective of the Dutch Symbolist painter and the late 19th century French printmaker. Ends Feb 13. Daily

Stedelijk Museum (Annex) Judd: sculptures from Dutch public collections. Ends Jan 23. Daily

BERLIN

Schloss Charlottenburg The First Europeans: [illegible] of archaeological, scientific and artistic [illegible] from 11 European countries, painting a picture of early European civilisation. Ends Feb 18. Daily

DRESDEN

Albertinum Egyptian Antiquities: 400 objects from the Dresden collection, including stone sculptures, religious carvings and everyday vessels, now on show for the first time since being taken to Russia as booty after the Second World War. Ends July 24. Closed Thurs

EDINBURGH

National Gallery of Scotland Treasures from the Mesdag Collection: 80 key works by members of the Hague and Barbizon Schools, as well as Corot, Delacroix and Daumier, on loan from the Mesdag Museum in The Hague. Ends Feb 7. Daily

Scottish National Gallery of Modern Art 100 Years of Modern Art: 200 works from Vuillard, Bonnard and Picasso to modern [illegible] and [illegible]. Ends Feb 1. Daily

FRANKFURT

Städel Landscape and Interior: 19th century French and German prints. Ends Feb 20. Closed Mon. Florentine's Madonna with the Child John: a newly restored painting by the early 16th century Florentine master can be seen alongside a copy made by one of his contemporaries. Ends Jan 30. Closed Mon

Schirn Kunsthalle Giorgio Morandi: paintings, watercolours and drawings by the early 20th century Italian still-life painter. Ends Jan 23. Daily

Schirn Kunsthalle Georg Flegel (1566-1638): 260 works by one of the major still-life painters of the early 17th century. Ends Feb 13. Daily

GLASGOW

Hunterian Art Gallery C.F.A. Voysey: decorative designs 1880-1930 showing his outstanding talent as a designer of fabrics and wallpapers. Ends Jan 22. Closed Sun

Burrell Collection Degas in Bronze: the complete set of 73 sculptures. Ends March 13. Daily

HAMM

Gustav-Lübcke-Museum Sacred Treasures of Egypt's Tombs: this newly-opened museum brings together North-Rhine-Westphalia's rich public collection of ancient Egyptian artefacts, which are being exhibited for the first time for many years, alongside the museum's growing collection of 20th century art. Ends Feb 27. Closed Mon

KASSEL

documenta-Halle Stalinist Art: a retrospective of 20th century Soviet art on loan from Russian museums, and including many paintings not exhibited for 40 years. Ends Jan 30

LONDON

Royal Academy of Arts The Unknown Modigliani: 400 drawings created between 1906 and 1914, and collected by Paul Alexandre, the artist's doctor, patron and friend during his early years in Paris. Ends April 4. Great French Drawings from the Getty Museum. Ends Jan 23. Daily

Accademia Italiana Renaissance Florence: The Age of Lorenzo the Magnificent 1449-92. Ends Jan 23. Daily

National Portrait Gallery Thomas Eakins, 19th century American portraitist. Ends Jan 23. Daily

Hayward Gallery Roger Hilton: 100 works by one of the most vital British painters of the postwar period. Ends Feb 6. Daily

Royal Festival Hall Luis Gonzalez Palma: images and portraits of the Mayan people from Guatemala. Ends Feb 27. Daily

NEW YORK

Metropolitan Museum of Art Lucian Freud. Ends March 13. 16th Century Italian Renaissance Drawings in New York Collections, including little-known works by Raphael, Michelangelo and Titian. Ends March 27. Fusuma Paintings from Ryoan-ji and the Lore of China in Japanese Art. Ends April 24. Closed Mon

Guggenheim Museum Industrial Elegance: objects of everyday [illegible] beauty selected by 63 architects and designers. Ends Jan 23. The main museum is closed on Thurs, the SoHo site on Tues

Whitney Museum of American Art Mike Kelley (b1954): 170 paintings, drawings, sculptures and photographs by the influential Los Angeles artist. Ends Feb 20. Walker Evans and Dan Graham: photographs by two men of different generations who share a vision of America as a failed utopia. Ends March 27. Closed Mon

PARIS

Musée d'Art Moderne de la Ville de Paris Around a Matisse: of Matisse the three monumental versions of the Dance ordered by Dr Barnes for the principal gallery of his foundation in Merion, Pennsylvania, are shown for the first time side by side, together with preparatory sketches and photographs. Ends March 6. Closed Mon (11 ave du President Wilson)

Musée du Luxembourg The [illegible] of Saints in the Limousin Region: 100 examples of religious art from the Middle Ages to the 20th century, including enamelware, goldsmiths' work, manuscripts and wood carvings. Ends March 6. Closed Mon (19 rue de Vaugirard, on edge of Luxembourg gardens)

Louvre The newly-opened Richelieu wing, with its three covered courtyards, offers a handsome setting for the collections of Islamic art, medieval art (including the Treasure from the Abbey of Saint-Denis), Rembrandts and Rubenses, and French paintings from the 15th to 17th centuries. Closed Tues

Musée d'Orsay Les Nabis. Ends Feb 13. Closed Mon, late opening Thurs

Versailles Versailles and the Royal Tables of Europe from the 17th to 19th centuries. Ends Feb 27. Closed Mon

Institut du Monde Arabe Syria, Memories of the East, Memories of the West and Art Treasures from Syrian museums, the Louvre and private collections, covering one million years of human activity from the first artefacts to 19th century Ottoman art. Ends Feb 28. Closed Mon

ROME

Palazzo dei Conservatori Rediscovering Pompeii: 200 objects, many from recent excavations. Ends Feb 12. Daily

STUTTGART

Staatsgalerie Henri Matisse: drawings and gouaches from the 1940s and 1950s, including [illegible] drawings for the [illegible] and [illegible]. Ends Feb 13. Closed Mon

WASHINGTON

National Gallery of Art The Age of the Baroque in Portugal. Ends Feb 6. Nine Old Master Drawings: works by Dürer, Van Dyck, Rembrandt, Goya and Tiepolo, recently given to the museum. Ends Jan 30. Daily

National Museum of Women in the Arts Judith Leyster: 10 works by the 17th century Dutch genre painter. Ends April 3. Daily

Walters Art Gallery [illegible]. Ends Feb 6. Closed Mon

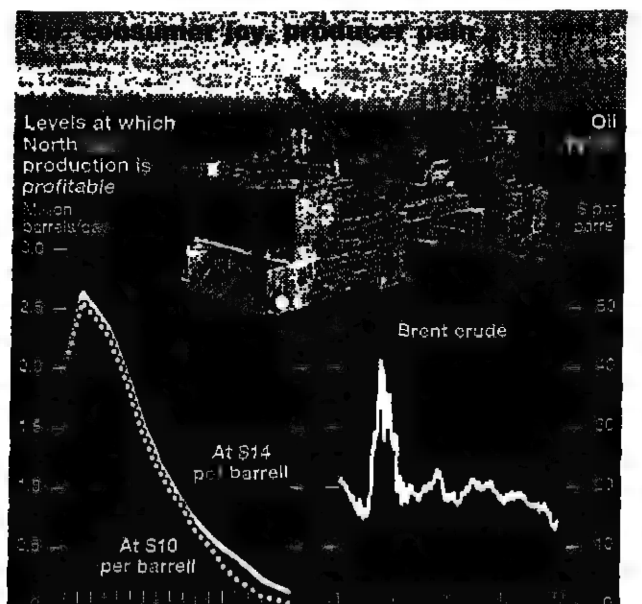
National Museum of American Art Arvin Gottlieb Collection: 33 paintings by artists who [illegible] in New Mexico 1900-1940 and were captivated by its dramatic landscapes and native cultures. Ends March 13. Daily

ZURICH

Kunsthaus Joseph Beuys: comprehensive retrospective of one of Germany's most controversial postwar artists. Ends Feb 20. Closed Mon

Bottom of the barrel

Robert Corzine examines the diverse effects of low oil prices



The conflicting consequences [redacted] low [redacted] prices are apparent in scenes being played out daily along US highways.

Motorists [redacted] counting the savings from a slide in wholesale petrol prices to just 45 cents a gallon, the lowest in five years. But those travelling through the "oil patch" – parts of [redacted] Midwest and Texas, Oklahoma, Louisiana and [redacted]ifornia – see another picture.

Thousands of "nodding [redacted]keys" – the "stripper" [redacted] which produce a [redacted] barrels of oil a day – [redacted] long been a common [redacted] in the region. But [redacted] oil prices [redacted] fallen over the [redacted] from [redacted] a barrel [redacted] the benchmark Brent Blend [redacted] a barrel, hundreds of donkeys [redacted] stopped [redacted] – they have [redacted]nomic and [redacted]. Many [redacted] may soon be [redacted].

The impact of falling prices on marginal US oil production [redacted] that small US oil companies [redacted] month [redacted] national security [redacted] they [redacted] Bill Clinton [redacted] limit [redacted] imports. [redacted] the oilmen [redacted] shrift from [redacted] administration enjoying the macro-economic [redacted] oil prices.

It [redacted] no surprise that [redacted]suming [redacted] are [redacted] low [redacted] prices [redacted] pro[redacted] feel the pain. For [redacted] US, a big importer and a leading producer, [redacted] short-term [redacted] of low [redacted] to outweigh longer-term damage [redacted] declining oil industry. Lower prices are putting down[redacted] inflation while [redacted] growth [redacted] accelerating, thus helping to [redacted] higher [redacted].

The Organisation for [redacted] Co-operation [redacted]opment [redacted] biggest beneficiary among industrial countries [redacted] declining [redacted] import prices, evident in improvements in [redacted] balance [redacted] payments.

Japan, [redacted] imports 80 per [redacted] its [redacted] requirements, will also make big balance of payments gains. But even a 30 per cent cut in oil prices over the past year may not be enough to kick-start the Japanese [redacted], suffering [redacted] 32 months [redacted] slowdown and a credit squeeze.

The impact on the UK, a net exporter [redacted] big consumer [redacted] oil, seems positive. [redacted] export earnings will be hit, an average price of $14 a barrel for 1994 would knock half a percentage point off underlying inflation (the rate of increase in the retail price index, excluding mortgage interest payments), [redacted] at [redacted] per cent. This would have positive [redacted] on [redacted] (which [redacted] mortgage interest payments) and pay settlements, according to early projections by Mr [redacted] Smith, [redacted] at stockbrokers Midland [redacted] Markets.

But UK, continental [redacted] Japanese consumers [redacted] benefits. Dr [redacted] Mabro [redacted] the [redacted] Institute for Energy [redacted] the [redacted] price [redacted] petrol falls by 7-8 per [redacted] every [redacted] per [redacted] in [redacted] oil price [redacted]. The decline in [redacted] UK [redacted] be as low [redacted] per [redacted] automatic annual rises in petrol [redacted].

Other European governments [redacted] also reluctant [redacted] pass on the benefits. In Germany taxes on [redacted] went up by nearly [redacted] per cent this [redacted] European consumers falling [redacted] oil prices simply keep prices at the pump steady.

On a sectoral level, energy-[redacted] industries, [redacted] as petrochemicals, fertilisers, [redacted] transport and airlines, have suffered in recent years, and low oil prices should soon [redacted] through [redacted] higher [redacted] flows, say [redacted].

[redacted] integrated [redacted] companies – [redacted] Exxon and [redacted] with operations in refining and retailing – will weather current conditions [redacted] than those specialising in exploration and production.

"The balance sheets of most oil companies are better than the producing countries", says one oil company economist. For his part, Dr Mabro notes that, unlike big oil companies, producing countries "have lost a third of their revenues".

PetroStrategies, the [redacted] newsletter, estimates that Opec members' revenues fell by 22.5 per cent in the final quarter of last year, and by about 10 per cent for the year as a whole. One of the most vulnerable members of Opec is Nigeria, whose oil production accounts for more than 90 per cent of foreign exchange earnings. Receipts peaked at $25bn in 1980, but this year they will be about a quarter of that, while arrears on external debt of more than $31bn exceed $5bn.

The outlook is also harsh for Iran: every dollar fall in the price of a barrel of oil means the [redacted] of $1bn in receipts. The low price means Iran's oil revenues are unlikely to have exceeded [redacted] disappointing [redacted] last [redacted] Iran [redacted] behind [redacted] servicing [redacted] foreign [redacted] of about $30bn.

But will prices fall [redacted] point where the benefits to consuming countries are outweighed by instability among the main exporters?

"We all lost in 1990 with Iraq," notes Dr Mabro, referring to the invasion of Kuwait triggered in part by Baghdad's fear of declining oil revenues. Ironically, the possible resumption of Iraqi oil exports is now one factor pushing prices lower. Traders reckon that the return on to the market of as much as 3.5m barrels a day of Iraqi oil, once United Nations sanctions against Baghdad are lifted, will maintain downward pressure on oil prices.

Industry experts do not [redacted] the possibility [redacted] temporary oil price fall to $10 a barrel or below, but expect longer-term prices [redacted] upwards. Some fear they could [redacted] in the [redacted] band most producers say they need.

The only country capable of pushing prices back to the latter [redacted] Arabia. Although it is putting a brave face on the impact of the fall in oil prices on its economy, there is deep anxiety in Riyadh.

Saudi Arabia was warned by [redacted] International Monetary Fund [redacted] it [redacted] longer-term damage to [redacted] if [redacted] not [redacted] its budget and current account [redacted]. Since then the fall [redacted] prices [redacted] negated [redacted]sures, such as big cuts in capi[redacted] expenditure, [redacted] government drew up to correct the imbalances. With liquid foreign exchange reserves at a modest $7bn, the government may have to borrow substantially.

The [redacted] government insists [redacted] will not [redacted] role as Opec's swing producer – that is, as the member prepared to [redacted] output [redacted] keep [redacted] stable – [redacted] producers nibble [redacted] share. But [redacted] experts [redacted] only a [redacted] cut in Opec production, with Saudi Arabia bearing perhaps most of the burden [redacted] as [redacted] as 1m barrels a day, could reverse [redacted] steep price decline.

That would certainly signal that prices were on the way up again. It might even waken some sleeping donkeys.

Additional reporting by Michael Holman [redacted] Matthews

Joe Rogaly

The Italian job

The story so far: Britain's genteel form of corruption was described in this space on Tuesday as a collection of "wholly legal Italian practices". In a [redacted] in the FT yesterday Mr Antonio Armellini asked whether this implied "that corruption and impropriety are by definition connected to the idea of Italy and things Italian". Well [redacted] course it did. [redacted] all know [redacted] disquieting [redacted] of Italian political life. The [redacted] the peninsula's [redacted] shown [redacted] that they reject single-party government and [redacted] conse[redacted]. The British [redacted] perspicacious.

As Mr Armellini [redacted] no country [redacted] monopoly [redacted] rectitude. The charge that president Clinton, when governor of Arkansas, did special favours for a bank and benefitted from a deal in land speculation [redacted] unproven, but the proposition that the US polity has often been soiled by corruption [redacted] incontrovertible. The English are no different. They have, however, been peculiarly adept at hiding their moral turpitude [redacted] lace [redacted] outraged innocence. Italy [redacted] apology. [redacted] various [redacted] political practices now being alleged or [redacted] would bring a blush [redacted] the [redacted] of any [redacted].

[redacted] read [redacted] The indictment [redacted] Britain's party [redacted] becoming [redacted] Wednesday Lord Howe, who should know better, whinged about the [redacted] of the [redacted] inquiry [redacted] allegations [redacted] morally challenged behaviour by Conservative [redacted] the sale [redacted] Iraq. The [redacted] former foreign secretary intimated that Lord Justice Scott's findings might well be disregarded. Those who [redacted] already appeared before [redacted] inquiry, and others watching from outside, were "bound [redacted] be [redacted] to [redacted] the conclusions".

That would be troubling enough, [redacted] it is [redacted] whole charge-sheet. Yesterday [redacted] Tories, [redacted] many years appeared to regard Westminster town council as naturally theirs to rule, were accused of what amounts to vote-rigging. This devastating blow was struck by a report from the district auditor, Mr John Magill, published in summary form. Mr Magill [redacted] containing [redacted] "provisional" conclusion that Westminster [redacted] public housing in a manner that was "influenced by an irrelevant consideration, namely the electoral advantage of the majority party". In his [redacted] the [redacted]cil was engaged in gerrymandering, "which I [redacted] minded to find is a disgraceful and improper purpose…"

> **Historians may [redacted] such events [redacted] glimpses of the rot that can set in when one party holds office for longer than its natural shelf-life**

[redacted] fair [redacted] individuals concerned, [redacted] guilty after a hearing in [redacted]. Due [redacted] yet [redacted] completed. [redacted] prejudged. [redacted] alone will [redacted] damage the [redacted] attempt [redacted] their party as [redacted] arbiter [redacted] tittle-tattle [redacted] been found around [redacted] ankles is politically insignificant when set against this sort of statement, provisional or otherwise. The Scott inquiry and Mr Magill's report may in time be characterised by historians as glimpses of the kind of rot that might set in when one party holds office for longer than its natural shelf-life.

That said, it must be conceded that Lord Howe's protest is not wholly without merit. His principal objection appears to be that Lord [redacted] Scott [redacted] as "detective, inquisitor, [redacted] and judge". So he does, but this would not be astonishing in a French court, where the inquisitorial procedure is preferred to the adversarial.

Again, the inquiry is not a criminal trial. All that Lord Justice Scott can do at the end of the day is point a finger, possibly [redacted] individual politicians and certain officials. [redacted] can say that so-and-so misled parliament, or improperly signed document immunity forms, an action that might have led to an unjust outcome to the Matrix Churchill trial.

If he reaches that sort of conclusion – [redacted] may not – some careers may be damaged, but the [redacted] might have [redacted]tion [redacted] proceedings [redacted] many delays [redacted] mountains [redacted] legal fees. In any event, it was the prime minister himself – who appears before Scott on Monday – who chose the form of the inquiry. Its rules were agreed in Whitehall, perhaps before certain ministers became worried about the possible outcome. Their alarm is what should give us the greatest confidence in the Scott procedure.

Yet it would be wrong to be pious about this. Britain earns its living by selling arms, and its secretive bureaucrats find no difficulty in tying themselves into philosophical and terminological knots to protect both the [redacted] and their own flexible sense of right and wrong.

This has long been true. In 1935 and 1936 a Royal Commission on the Private Manufacture of and Trade in Arms sat for 22 public sessions. It produced a unanimous report broadly favouring greater governmental control over the arms industry. Shortly after publication, the report was quietly buried. It is an instructive little fable, recounted by David G. Anderson in the January [redacted] the Journal [redacted] Contemporary History. "Sir Thomas Inskip, the minister for [redacted] co-ordination of defence … thanked [redacted] mission for its [redacted] work … and promptly [redacted] the report to a bureaucratic resting place …," writes [redacted] who, fortunately, [redacted] in [redacted] of the [redacted] from [redacted] Germany could [redacted] that they were right [redacted] protect [redacted] munitions industry from a well-meaning [redacted] of honourable [redacted].

The days when such things [redacted] easily [redacted] touch [redacted], however, [redacted]. It [redacted] possible to [redacted] political [redacted] regular [redacted] of [redacted] before Lord Justice Scott, or [redacted] that his lordship had [redacted] been appointed to [redacted] job [redacted] been given in the manner that he is undertaking it. The same irrevocability applies to the [redacted]. However innocent [redacted] individuals named by Mr Magill may be, [redacted] provisional his findings, [redacted] Conser[redacted] of yesterday's [redacted] cannot [redacted] from the public [redacted]. Crying "sub judice" and hoping [redacted] nightmare will [redacted] for a [redacted] years will [redacted] that. [redacted] delusion, [redacted] ours [redacted] the country [redacted] the righteous and [redacted] incorruptible, is rapidly [redacted].

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. [redacted] transmitted should be clearly typed and [redacted] hand [redacted]. Please set [redacted] for finest [redacted]

Swedish confusion over EU

[redacted] Spencer, [redacted].

Sir, Hugh Carnegy ("Struggle to [redacted] the Arctic circle", January 6), in [redacted] review [redacted] membership [redacted] European Union, [redacted] the party political dimension [redacted] the [redacted] in Sweden. [redacted] in support [redacted] the "Yes" campaign has taken place primarily among [redacted] Democrat supporters confused by the party [redacted]ship's [redacted] outcome [redacted] negotiations [redacted] formally campaigning [redacted] membership.

I, too, have [redacted] in [redacted] Arctic [redacted] in Norrbotten and I [redacted] no [redacted] European Union will accept [redacted] for contin[redacted] regional and [redacted]dies. [redacted] clusion of negotiations [redacted] March 1, I [redacted] every hope [redacted] the [redacted] party will [redacted] coyness [redacted] will campaign in public [redacted] membership [redacted] which [redacted] privately [redacted].

Tom Spencer,
[redacted] on Swedish member[redacted] external [redacted]
[redacted] rue Belliard,
1040 – Brussels, [redacted]

Investment in Hungary

From Dr Frigyes Banki.

Sir, Your article, "Foreign investment projects in Hun[redacted] top $3bn" (November [redacted] concludes [redacted] by [redacted] 1993 Hungary [redacted] $3bn in foreign investment. In fact, Hungary received $5.5bn for the period examined in the UN study referred to. The study itself pointed [redacted] that the [redacted] not strictly comparable; and [redacted] ther were [redacted] valuation methods used.

You also stated that Germany is the largest investor in Hungary. This is not so – the US is in that position. The comparative data in the study show that, on an absolute basis, Hungary is the undisputed leader in attracting foreign investment to central Europe. Foreign investment [redacted] an important element in Hungary's transition to a market economy and industrial restructuring, [redacted] the govern[redacted] has [redacted] a number of steps [redacted] attract international business to the country.

Frigyes Banki,
managing director,
The Hungarian Investment and Trade Development Agency,
Dorottya Street 4,
1051 Budapest, Hungary

The regulation insurance needs

From Mr M G Newmarch.

Sir, Your leader, "An end to foot-dragging" (January 12), proposes that I may underestimate the challenge facing the insurance industry. Your proposition astounds me.

It [redacted] precisely because I recognise [redacted] need for the industry to eliminate [redacted] sales and marketing practices – in the [redacted] of the consumer [redacted] reputable [redacted] – [redacted] I reject [redacted] unworkable the current proposals for [redacted] on the [redacted] of the Large report and Personal Investment Authority.

For some 18 months now, the Prudential has argued that such is the wholly unsatisfactory state of retail financial services regulation that the experiment of "self-regulation within a statutory framework" be admitted a failure by the appropriate authorities. We advocate the [redacted] an independent committee of inquiry chaired by a senior judicial or legal figure with an unrestricted brief to redefine the objectives of saver protection and the statutory and [redacted] framework best suited to achieve that.

Each day that passes confirms us in our view that the only likely way to [redacted] those acceptable standards of protection due to the nation's [redacted] is by such a route, which implies single-tier statutory regulation with [redacted] accountability to Parliament.

M [redacted] Newmarch,
chief executive,
Prudential Corporation,
142 Holborn Bars,
London EC1N 2NH

From Mr J Stretton.

Sir, Your leader, "An end to foot-dragging", while accepting that my argument for a statutory regulator has merit, concludes that we should ignore it and carry on in the present direction regardless. [redacted] cannot be right.

[redacted] is no [redacted] between [redacted] over the requirement for effective regulation [redacted] over [redacted] necessity [redacted] public [redacted] in [redacted] eventual [redacted]. But those objectives are unlikely to be [redacted] form [redacted] regulation [redacted] devise. This [redacted] not "foot-dragging" as you suggest [redacted] a genuine [redacted] to [redacted] what is in [redacted] best interests of consumers.

When a structure is finalised, [redacted] Life will work within that structure to make the best of what we are given. In the meantime, I shall [redacted] for getting it right rather than for just going with the tide.

J Stretton,
deputy managing director,
Standard Life Assurance Company,
3 George Street,
Edinburgh EH2 2XZ

Private rail operators will compete with low fares

From Mr Roger Freeman, MP.

Sir, You reported a BR manager's [redacted] that [redacted] on off-peak railway [redacted] on the new franchised passenger routes ("Rail sell-off threatens to limit scope of discount fares", January 13).

BR will have no part to play, however, in the setting of franchised service discount ticketing levels except where it wins a franchise itself. The new private sector operators will be extremely keen to attract the maximum number of passengers to their routes. As has been the experience in other transport fields, they will not achieve that by raising prices but by offering their own discounts to tempt new passengers.

If BR finds it commercially sensible to offer discounted tickets, which it does at present without any compulsion, you can expect the private sector to be even keener.

A balance has to be struck [redacted] the convenience of commonly priced inter-available tickets and the possibility of a wider choice of differently priced services. Inter-availability and common pricing of tickets will normally be a requirement of franchise agreements for season and full-fare standard and first-class tickets on shared routes.

Discounted travel, even now, does not offer unrestricted travel. Off-peak fares attract their own conditions limiting travel to particular trains, days and times. The present success of Apex fares shows that many passengers are prepared to accept restrictions on their time of travel to benefit from cheaper fares, and I am sure that such passengers will benefit from allowing operators to compete for their custom with discounted fares.

Roger Freeman,
minister for public transport,
Department of Transport,
2 Marsham Street,
London SW1P 3EB

Interesting

From Sir Kit McMahon.

Sir, In Thursday's issue, Samuel Brittan (Economic Viewpoint) warns that [redacted] UK interest rates would "[redacted] pudding"; [redacted] pages [redacted] Lex tells [redacted] "[redacted] early [redacted] cut … could … backfire".

Between these two sage judgments we can read your leader writer's [redacted] ("The [redacted] for lower rates") [redacted] a prudent chancellor [redacted] the exchequer [redacted] justify "a sharp [redacted] in short-term rates".

Is this a record?

Kit McMahon,
25 [redacted],
London SW1A 2BS

Which? made no comparison

From Ms Sue Leggate.

Sir, Mr Dowlen's imaginative interest (Letters, January 11) in [redacted] selling [redacted] and pans rather than fruit and vegetables indicates [redacted] he has either not read the Which? report on insurance companies – or he simply missed the point.

According [redacted] investigation and letters to the Consum[redacted] Association, some insurance companies are refusing to cover people they consider to be high risk for car or house insurance. The Which? report did not compare whether one type of car would be insured against another at all, as Mr Dowlen claims.

We hope that the rest of the insurance industry adopts a more informed attitude.

Sue Leggate,
editorial director,
Which? Magazine,
Consumers' Association,
2 Marylebone Road,
London NW1 4DF

Political ploys

[redacted] Mrs [redacted] Rist.

Sir, Returning from Florence, I was [redacted] Simonian's report ("Inquiry stokes Italian political fires", January 10) on [redacted] in Italian politics, [redacted] which my [redacted] had [redacted] shaking their heads in [redacted] "un [redacted] per l'Italia".

Sensing they felt Italy was showing badly in comparison with Britain, I reassured them. Taking Iraqgate as the most recent example, I explained that, whereas their [redacted] in for flagrant illegality, [redacted] approach of ours [redacted] merely more hypocritical – a British characteristic they immediately recognised. Rather than flout an inconvenient law, Britain's politicos change – or [redacted] bend – it.

Anna Rist,
Santa Margherita,
50 Rosefield Road,
Cambridge CB4 2HD

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 [illegible]
Friday January 14 1994

Mr Clinton's trade agenda

With the passage of the North American Free Trade Agreement and the completion of the Uruguay Round of multilateral trade negotiations, Mr Clinton has finished the trade agenda he inherited. This is a great achievement. But now he must draw up his own. The signs so far are worrying. He seems to be dedicating his country to distorting trade, where it will not merely end up [illegible] ing it.

One part of the Clinton agenda already in effect is its approach to the opening of Japanese markets. The objective is right. But the administration is proposing the wrong instrument and the wrong procedures.

American policymakers protest that the quantitative indicators they [illegible] are neither targets nor of benefit to US exporters alone. They protest too much. The semiconductor pact has shown that an indicator is a target by another name. Similarly, the Japanese are bound to satisfy US producers first, because they are the most powerful. Since cartelisation and administrative guidance are needed for Japanese industry to deliver the demanded results, the US administration is also, in effect, calling for reregulation and deregulation at the same time.

What is wrong with the chosen procedures is that they are unilateral. If US policymakers are confident they can prove that the Japanese cheat, they should bring their complaint to a multilateral forum. As it is, they have agreed to the creation of a world trade organisation within the Uruguay Round [illegible], but are managing [illegible] important trade relationship bilaterally. Faced with yet another contradiction, the Japanese [illegible] wonder why occidentals are so inscrutable.

Distorting trade

If this approach to Japan threatens to distort trade, the emerging US agenda for post-Uruguay Round trade negotiations may end up by simply restricting it. Mr Clinton suggested this week that environmental protection, anti-trust regulation and labour standards should be at the top of the agenda. International agreement on competition policy is needed, particularly if the cancer of anti-dumping is to be brought under control. But the other suggestions could easily become [illegible] outright protectionism. The question of desirable standards is far [illegible] complex than most [illegible] lobbyists and governments are prepared to admit.

Consider the environment. It is untrue that trade necessarily harms the environment. [illegible] all [illegible] ought to have the same environmental regulations, that differences in environmental regulation are bound to create unfair competitive advantages, or even that the chief global environmental threat is posed by the development of poorer countries. US policymakers and lobbyists would do well to remember, for example, that the profligate 15 per cent of humanity emit far more greenhouse gases than do the remaining 85 per cent.

Labour quagmire

Labour standards are an equally sticky quagmire. It is not true, for example, that wages are low in China because of exploitation, but because the country remains dreadfully poor. It is not true that wages in high productivity factories should be far higher than elsewhere, because it is their profits that fuel rapid development. It is also not true that sensible minimum labour standards would eliminate the competitive threat supposedly posed by cheap labour. Remember, above all, that high minimum wages are of no benefit to the hundreds of millions of unemployed, while laws against child labour are of no help to children who would otherwise starve.

The danger is that this supposedly high-minded agenda would punish the poor for their poverty. The side agreements on labour and the environment in Nafta do little to assuage that fear. Consider, for example, the fact that participants may not lower any standards, however inappropriate and costly they may turn out to be. Yet it is these agreements which are the model that the administration seems to want to spread throughout the world.

What the Clinton administration's agenda lacks is a commitment to liberalisation. It seems to see the emerging global market economy as a threat to be curbed, not an opportunity to be exploited. International standards will form part of the trade agenda. But they must be only a small part.

Using the foetus to treat infertility

"Yuk factor" has become the first catchphrase of 1994 in British newspapers. It does not refer to politicians' private lives, but to the latest developments in birth technology. People are supposedly saying "yuk" to grannies giving birth in their 60s, black women choosing white babies and, above all, to the potential use of eggs taken from aborted foetuses for treating infertility.

This may indeed be a natural first reaction to the prospect of removing the ovaries from a foetus, "maturing" the eggs in a test tube, fertilising them with sperm and implanting them in the uterus of a woman whose own eggs are defective. The public is still squeamish about any medical use of foetal tissue – for example to treat Parkinson's disease – and it is easy to put people off the idea of creating a baby [illegible] genetic [illegible] was aborted.

However, initial distaste should not be allowed permanently to block development of a technique that could help many thousands of infertile couples, who typically have to wait three to five years to receive eggs from adult donors. (Giving eggs is an arduous process involving powerful drugs and an operation.)

Opponents of new birth technologies argue that women have no God-given right to bear children. But infertility is certainly a painful affliction, even if it is not a disease in the conventional sense. Although fundamental moral objections can be raised both to abortion itself and by deduction to any manipulation of a rejected foetus, these cannot be decisive in a country such as the UK, where abortion is legal under some circumstances. At the crudest level of argument, it is surely better to make medical use of foetal material if possible, than just to throw it into the hospital incinerator.

Moral issues

In the UK, the body responsible for regulating birth technologies is the Human Fertilisation and Embryology Authority, which is admired worldwide. Its members, derived from professional and lay backgrounds, are responsible for assessing the many subtle moral and practical issues which arise.

One widespread concern is that a child could suffer psychologically from the knowledge that its genetic mother was, in effect, an aborted foetus. However, it is not difficult to imagine that the circumstances facing such a child might be easier to accept than those of an adopted child who was "rejected", for whatever reason, by both biological parents.

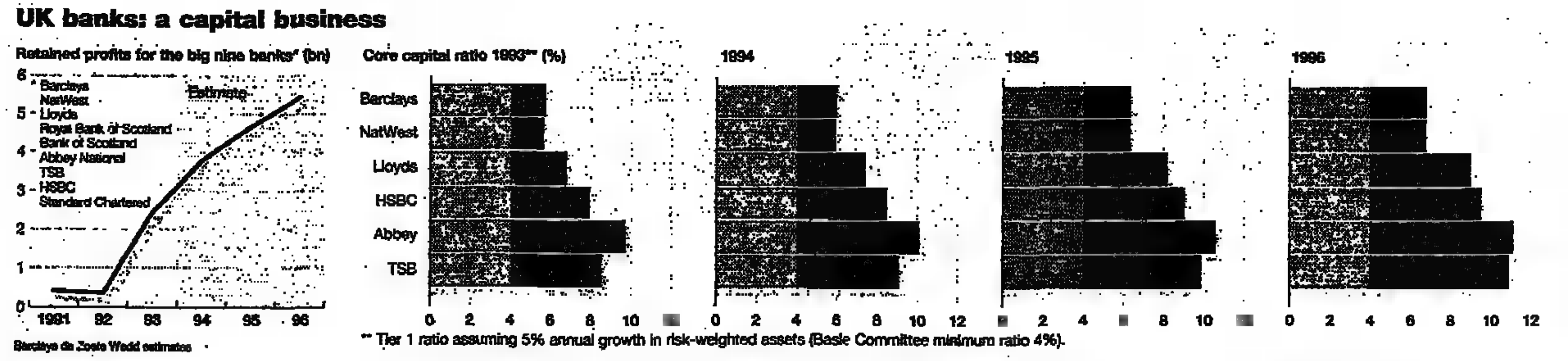
Another minefield will be obtaining informed consent – an essential part of current donor programmes. Who should give consent on behalf of an aborted foetus? Just the woman having the abortion? Or should the father of the foetus have a say (if his identity is known) on the grounds that his genes should not be passed on to future generations without his knowledge?

Medical decisions

The HFEA will also wish to ensure that women are not encouraged in any way to have an abortion – or, perhaps more likely, to respond to pressures to delay the operation so as to give the foetal ovaries more time to develop in the womb. Medical decisions about the abortion should be kept strictly separate from the procedure for seeking consent to use foetal material in research or treatment.

The HFEA's record suggests that, if it decides in principle that foetal ovaries can be used to treat infertility, it will be able to devise a practical framework in which clinics can operate. The real [illegible] would then be scientific. Although this technique has worked in laboratory animals, [illegible] still need to show that there is no excess risk of congenital abnormality from using eggs from a foetus instead of an adult donor. That means understanding better the factors that control the decline in egg numbers from more than 1m in the foetus to less than 100,000 in a fertile woman; if the body naturally discards inferior eggs during childhood, it could be dangerous to use foetal ovaries.

Subject to these legal and scientific safeguards, researchers should be allowed to develop foetal egg donation. If they succeed, the technique will eventually join the armoury of accepted treatments that aroused distaste when they were first mooted, including organ transplants and test-tube babies.



Barclays de Zoete Wedd estimates
** Tier 1 ratio assuming 5% annual growth in risk-weighted assets (Basle Committee minimum ratio 4%).

UK banks are addressing the problem of how to employ an unfamiliar excess of capital, writes **John Gapper**

Embarrassment of riches

After five years of grappling with huge bad debts, inadequate profits and [illegible] customers, British high-street banks face an unfamiliar [illegible]. They may be about to start making too much money. "It makes me more worried about the industry than I've been for a long time," says one director whose bank is moving from bad times into good ones.

Following the lean years when banks made low profits – some even lost money – and [illegible] shareholders' dividends, a cash pile [illegible] the [illegible] of problems. But when the TSB Group yesterday reported a rebound from breaking even in 1992 to a £[illegible] pre-tax profit last year, it signalled the start of what could be a testing time for bank management.

The broker Barclays de Zoete Wedd estimates that the nine biggest UK banks will add £3.7bn to their capital this year. It [illegible] (after tax and dividends) profits of [illegible] in 1996. As bad debts fall, a big rise in banks' [illegible] will come through. "Banks have been huge consumers of capital, but now are becoming cash cows," says Mr Peter Toeman, an analyst at Hoare Govett, the stockbroker.

Some improvement appeared inevitable. Banks' profits usually rise when economies recover because bad debts fall, and they can earn more from lending. But the scale on which UK banks are now starting to generate cash is greater than in the past for a number of reasons:

■ Managements [illegible] the unprecedented bad debts of the downturn by raising income. They widened interest rate margins on loans, and charged higher fees to businesses and personal customers for services such as cheque clearing. Mr Toeman estimates that returns on assets such as loans have risen about 25 per cent since 1989 as a result.

● They have also boosted profits by shedding staff and cutting branch networks. Barclays and National Westminster this week announced that their plan 7,700 job losses between them on top of previous cuts. While cost-cutting and the introduction of new technology [illegible] short-term profits, income may be curtailed in the long term because there are fewer branches through which to sell products.

■ Banks traditionally absorb capital by taking on fresh loans. But there has been weak demand for loans so far in the economy picks up. Some companies have repaid bank loans, and replaced them with equity and debt securities. Many private borrowers are wary of taking on debt. So banks may find they are holding capital without the conventional means of employing it.

● Banks are inherently more profitable as a result of shedding businesses which made inadequate returns. National Westminster decided this year to withdraw retail banking in France after it reviewed its operations to see which return they were likely to achieve on average during complete economic cycles. Such judgments have made banks smaller and more profitable despite short-term costs.

For all these reasons, banks are likely not only to make but to retain more money than in recent recoveries. As bank executives point out, this might not be a problem in other sectors. "When industrial companies have cash, people view it as a war chest, a sign of strength," says Sir Nicholas Goodison, chairman of TSB Group.

But banks face distinct pressures. [illegible] of public perception, and the [illegible] of the industry. First, customers may be [illegible] by large profits because they have become disenchanted at standards of service. "There is a hard core of dissatisfaction with banks," says Mr [illegible] Eaglesham, head of money policy at the Consumers' Association.

A degree of public unpopularity may make banks vulnerable to the imposition of windfall taxes by the government. This was done in the recovery from the 1980-81 recession when Sir Geoffrey Howe, then chancellor, imposed a tax on bank deposits. One banker privately fears a repetition. "Our profits are particularly emotive," says one chief executive.

Second, banks with capital to spend are at risk of losing more money than other types of company if their investments turn sour. Banks are allowed to lend about 20 times their capital, using money from their depositors. A [illegible] a banking venture goes wrong they stand to lose not just their own investment, but up to 20 times that amount. Thus, shareholders tend to be worried if their banks acquire excess capital.

Third, well-capitalised banks may try to lend more despite weak demand. This will lead to competition that could push down margins on lending, and erode fees. There is already evidence of falling margins on loans to large companies, and some banks have [illegible] small business charges this year.

Finally, the more capital a bank has, the harder it is to achieve good returns on it. Banks have adopted returns on equity as their main measure of profit. Barclays is aiming for a 15 per cent after-tax return, and NatWest for a return of 17.5 per cent. The targets are testing in an era of low interest rates.

These factors will militate against banks holding excess capital. The problem is defining the right amount. Banks must hold at least a 4 per cent ratio of capital – mostly equity and reserves – to risk-weighted assets. But ratios of 7 per cent are common in the UK. "Four per cent has become old hat," says Mr Brian Pearse, Midland's chief executive.

Most banks are rebuilding capital lost as a result of bad debt problems, and are yet to reach the core capital-to-assets ratio of 6 per cent which most industry experts now regard as reasonable. Even after reaching that point, the size of losses from bad debts in the last recession – four times that of previous cycles – could make them more keen to retain capital.

"We face a lot of uncertainty. The view that the world is now a smooth and easy place is not the only one," says Mr Derek Wanless, NatWest's chief executive. Yet banks cannot simply sit indefinitely on their cash. "Banks with too much capital may be able to tough it out for a couple of years. But they will have to do something eventually," says Mr Ian Harley, Abbey National's finance director.

Banks will then have three alternatives. One is to return cash to shareholders. Royal Bank of Scotland sent a signal a month ago by raising its shareholders' dividend for last year by 25 per cent. The expectation that dividends will rise substantially over the next two years is one reason for the sharp rise in banks' share prices last year.

Raising dividends too ambitiously would be risky because they might have to be cut again in the event of another recession. Some bank directors muse about returning cash in ways that would not have to be repeated, such as buying back shares. Others look askance at such ideas. "When I talk about giving money back, everyone looks at me as if I am completely mad," says one director.

A second way of using capital would be for banks to invest in their existing businesses. NatWest and Barclays, for instance, have a target in their investment banking arms in south-east Asia and the US. [illegible] concentrating on retail banking in Britain could invest in technology and branch improvements.

The third possibility is to take over a rival. Many bankers believe there are too many financial services companies competing for custom in the UK. Lloyds tried to take over Midland on these grounds in 1992. As banks generate capital, they will have the capacity to buy each other or [illegible] over life insurers, for example.

But the process of consolidation is not assured. Banks made costly errors in their last buying spree in the 1980s when they acquired foreign banks which lost money. Mr Chris Ellerton, an analyst at S G Warburg, the stockbroker, says they are likely to be cautious about purchases this time and to bring clear benefits. "The scars of the last mistakes have not healed yet," he says.

The target returns on capital which banks have adopted mean they could find it difficult to find appealing acquisitions. They could thus be left with capital for which they have no obvious use. After the lean years, this may seem like a pleasant challenge. But it could become an unwelcome problem before too long.

Two Hong Kong residents looking forward to China's takeover in 1997 talk to **Simon Holberton**

Return to the family

For Dr H. Y. Lee, 53, the discovery of his Chinese roots came late in life. In Beijing two years ago, he was awed by the historical monuments and by walking among what he calls "real Chinese".

"I just felt really proud to be Chinese; I was among my people," he says.

Mr Tsang Yok Sing's epiphany occurred much earlier, in 1966, during his first visit to Guangzhou (Canton), southern China, to meet his family. He was 19. "It was love at first sight," he recalls. "I talked to [illegible] people and to younger ones like me. They were all inspired by some higher goals that were simply lacking in Hong Kong."

Both men live in Hong Kong. By character they are very different – Dr Lee, a medical doctor educated in England, is conservative by instinct, while Mr Tsang chairs the "pro-Beijing" Democratic Alliance for the Betterment of Hong Kong. But they are both looking forward to the end of British rule and China's resumption of sovereignty over Hong Kong in 1997.

Uniting them is a shared ethnicity and nationalism. With the handover approaching, voices such as Dr Lee's and Mr Tsang's are becoming louder, signifying an apparent change of mood among Hong Kong's predominantly Chinese population.

As Governor Chris Patten continues his brinkmanship with China – Hong Kong's Legislative Council is currently debating his proposals for democratic reform and he will discuss the confrontation with UK Prime Minister John Major in London next week – the ground is shifting [illegible] his feet.

Both Dr Lee and Mr Tsang illustrate the divided loyalties of many Hong Kong Chinese – not so much between the Chinese and UK governments, but between the values of a China still ruled according to feudal traditions and western liberal [illegible] as the importance of the individual.

Mr Tsang, for example, would not necessarily make a good Beijing communist: he is keen on argument and discussing ideas and, unlike the typical Beijing mandarin's suspicion of debate, he does not think that political disagreement need lead to turmoil.

Nevertheless, his anti-colonial instincts are clear. "For people like me it is always exciting to think about the end of colonial rule," he says.

"There has been a lot of change in the way the government rules Hong Kong and the way white people behave, but in my adolescent years – when one is most sensitive to injustice – I had an unpleasant impression of white people, especially British people. They belonged to the upper class. As for the Chinese upper class, they lived in English ways and spoke in English. When I was growing up it was impossible to have equality between the English and the Chinese."

Mr Tsang's objections to British rule have fuelled his Chinese nationalism to such an extent that he does not perhaps appreciate the irony of his affection for modern China, where a person's status in society and class are still important.

On his first visit to Guangzhou, Mr Tsang, educated at Hong Kong university, felt part of the Chinese nation. It was "a feeling of belonging to this vast country; it was a strange and pleasant feeling".

"This doesn't mean that I'm entirely happy with what has been happening in China, or that I think the Chinese government will be better than the Hong Kong government ... But to me that is secondary; the father or the mother, China is our country."

Dr Lee would sympathise with many of Mr Tsang's views; but his attitude to 1997 betray the ambivalence of most Hong Kong Chinese. For instance, he dislikes the idea of British rule but appreciates its emphasis on justice and its relative lack of corruption. He sees the impersonal system of English law as superior to the Chinese method resolving conflict, which is usually through personal connections and the payment of money.

At the same time, his cultural identification is with China. That does not mean he likes the Chinese government, but for him 1997 means the end of the humiliation of Hong Kong by the gweilos (a derogatory term for foreigners). "This [illegible] mean the gweilos didn't do a good job, but the feeling is that Hong Kong will be ours. It's not that I like the communists, but they've got the same colour skin."

Dr Lee, who hopes to open a clinic in China this year, has found much to dislike about China since his first visit. "I hate doing business there. Guanxi [connections] is so important and I hate that. But as a Chinese I look forward to being part of China." His fear is that corruption will spread to Hong Kong after 1997. He comforts himself with the thought that he is not a "big timer" and that corruption might not permeate to his level. But he says: "You have no redress; that is the sad part about China."

Dr Lee's hope is that Hong Kong, in the way a child might influence a parent, will have a positive influence on China's development.

But he has the 1984 Joint Declaration between Britain and China provides little guarantee post-1997. "The Chinese interpret any document [illegible] in favour in any [illegible] they are going to win," he says. But then he adds: "Maybe the son can influence the father. Hope, hope, hope."

OBSERVER

Boardroom breeding

■ Greg Hutchings's Tomkins, like [illegible] acquisitive conglomerates, [illegible] to be taken seriously. It's [illegible] if this involves strengthening an in-bred board with a few non-execs, then so be it. After all, Lord Hanson, [illegible] Hutchings deal-making, has added a few trophy names to [illegible].

Yesterday Hutchings recruited Jim Butler, who looked after the Lonrho audit for KPMG Peat Marwick; David Crowe, a former partner of Gouldens, Hanson's lawyers; and Lionel [illegible], just retired after 30 years with BTR. All three in their various ways know what makes a conglomerate tick and will be listened to at Tomkins, which is more than can probably be said for some of Hanson's non-execs.

When will BTR, always jostling with Hanson for the title of Britain's biggest conglomerate, follow suit? Now that Sir Owen Green has retired as chairman there shouldn't be any problem about bringing in a few outside faces.

Prod into action

■ Professor Romano Prodi. The chairman of Italy's IRI state holding company, which among other things runs Alitalia, has had the indignity forced on him of having to fly by another airline. British Airways took him from Heathrow to Rome. Almost all flights of Alitalia – which the firm helped subsidise after the second world war – were grounded by a pilots' strike.

The BA captain couldn't resist inviting passengers to fly BA again, [illegible] sure of a reliable service. Prodi was not amused. But he might be smiling [illegible] rumours are again flying of an equity link between BA and the troubled Italian carrier.

A trimmer Trotsky

■ The old cliché about leftwing youth growing up into rightwing middle-age rings true with Roger Rosewell, spokesman for Shirley Porter, former Conservative leader of Westminster council.

The Dame herself was unhelpfully abroad yesterday, thus avoiding the immediate flak over her time as council leader. Rosewell stood in.

He has an interesting pedigree. Back in the early 1970s he was industrial organiser of the [illegible] leftwing International Socialists – now the Socialist Workers' party – and steered its activities in various industrial disputes, including local government.

Rosewell [illegible] the dictatorship of the proletariat wasn't for him and [illegible] the IS in 1974. In 1981 he [illegible] with a pamphlet for Aims of Industry – the rightwing pressure group – attacking industrial subversion.

[illegible] being the Dame's mouthpiece, he also writes for the Daily Mail newspaper, does PR work and sits on the board of a cable TV company; so he's still communicating with the masses after all.

'He's [illegible] to a lapsed catholic'

Setting examples

■ Nice to see that some of those most responsible for fouling the English language – [illegible] – are doing their bit to clean up the mess.

The Chicago Tribune tells us that staff at Lake Superior State University have published their annual list of words that [illegible] conducted in order to tidy up language by banishing words and expressions that have been misused, overused or generally proven useless.

First on the hit-list is "politically correct". The phrase "mother of ..." also gets short shrift. "Paradigm" is also out – "while it is all the buzz among jargon makers in Washington, the rest of the country hasn't yet figured out what it is supposed to mean".

Which surely makes it an ideal word for politicians everywhere?

Cordon vert

■ If, as seems increasingly likely, the "ring of steel" around the City of London is [illegible] permanent, we know who to blame – Stani Yassukovich, the former Euromarket [illegible] whose current hobby-horse is the City Forum Project.

Yassukovich, former chairman of Merrill Lynch Europe, was explaining how best to improve the UK sterling money markets yesterday when a [illegible] bowled him a low ball. Why was the City's cordon still in place?

Yassukovich had no hesitation in admitting that he was a permanent cordon fan. Apart from the fact that many international banking pals liked the [illegible] idea, it has also done [illegible] to speed up his own journey to the City from his house in west London.

Fathom that

■ Any [illegible] for a second-hand ship from Greenpeace? Jeffrey Woodhead, of shipbrokers Derrick Holdings, hopes so [illegible] much as [illegible] the 18-year-old good ship Gondwana, which he says has had only one careful owner.

They may have been careful; but let's consider under what conditions. Before Greenpeace, the Gondwana, which has an [illegible] hull, belonged to the Swedish coastguard, so it probably saw risky duty chasing Soviet submarines.

As for Greenpeace, its vessels spend a good deal of time engaged in highly dangerous activities, pursuing whalers and ships dumping toxic waste – that is when they are not being sunk by the French secret service. Still, think of the brownie points for political correctness; an anti-communist and ecologically sound ship.

Put down

■ In return for a promise to print any comparably acid quip sent in [illegible] FT, Observer may perhaps be allowed to pass on a riposte [illegible] at a conference when a speaker mentioned The Economist – "That's the thinking man's Sun, isn't it?"

FINANCIAL TIMES
Friday January 14 1994

Major's party hit by claim of vote rigging in local election

By John Authers, Kevin Brown and [illegible] Marsh in London

[illegible] John Major was struggling to sustain the government's authority last night after his tottering "back to basics" initiative was further undermined by official allegations that Westminster City Council, a Tory "flagship" [illegible] authority, had manipulated its housing policy in an attempt to win votes.

The report, believed to be the most comprehensive of its kind ever compiled, alleges that [illegible] was wasted.

Mr John Magill, Westminster's district auditor, says in provisional findings that six councillors and four council officials might be required to repay the money.

Dame Shirley Porter, a leading Conservative politician and leader of the council until [illegible], and Mr Barry Legg, MP for Milton Keynes [illegible] since [illegible], are among those named.

Several sweeping allegations are made in the report, a copy of which [illegible] obtained by the Financial Times.

However the full 350-page report, and an annex including about [illegible] pages of [illegible] documentation, may not be published or quoted. It is a criminal [illegible] to disclose information gained by a district auditor in the course of his duty.

The central allegations made by Mr Magill paint an extraordinary picture of political manipulation centred on targeting sales of council houses, which would mostly be bought by likely Conservative voters, on eight "key" marginal wards, and the rehousing of the resulting homeless families at the council's expense.

Mr Magill says in his conclusions that:

- The council was engaged in "gerrymandering", which Mr Magill [illegible] as "a disgraceful and improper purpose, and not a purpose for which a [illegible] authority may act".
- The number of homeless families [illegible] put into temporary accommodation increased by 172 [illegible] at a cost to the council of £1.5m. Meanwhile, [illegible] they could have occupied remained empty, awaiting new buyers.
- The council lost £13.3m by selling [illegible] properties at a discount to their [illegible] value.

Last night Mr John Smith, the Labour leader, said the report disclosed "a devastating example of financial corruption and the abuse of power by senior members of the Conservative party".

Mr John Major, the prime minister, [illegible] would condemn the alleged activities "unequivocally" if they turned out to be true. It would be wrong, though, to [illegible] ment on the auditor's provisional findings.

Mr David Weeks, leader of Westminster council until last year, attacked the basis for the inquiry, in which he said the district auditor had acted as the "prosecuting counsel, judge and jury".

Other councillors [illegible] in the report [illegible] robust denials. They have the opportunity to make representations to Mr Magill on his provisional findings which they [illegible] do no later [illegible] July [illegible].

Dame Shirley, who was out of the country and [illegible] located, [illegible] a stern [illegible] of the charges through her solicitor.

The [illegible] said: "A leading firm of accountants have also advised her that Mr Magill's views about alleged [illegible] are equally wrong and misconceived. She now, at last, has the opportunity to make representations and to defend herself."

Background, Page 8

UK government poised to reopen Ulster peace talks without Sinn Féin

Hopes fade for end to IRA violence

By Philip Stephens, [illegible] Editor, in London

The British government has concluded that the odds are now stacked heavily against an early end to the IRA's 25-year campaign of violence in Ulster.

The underlying [illegible] in Whitehall is that the "peace" faction within the IRA has not won over the advocates of violence in the Republican power struggle that has followed last month's Anglo-Irish peace initiative.

Mr John Major, the UK prime minister, has yet to reach a final judgment on the reaction of the IRA and its political wing Sinn Féin to the Downing Street declaration.

But unless there is an unexpected volte-face by the powerful IRA faction still backing terrorism, Mr Major is expected [illegible] to relaunch talks without Sinn Féin on the province's future. Officials expect that move within weeks.

Monitoring of secret deliberations within the IRA since the declaration have led to strong suggestions in Whitehall that Mr [illegible] McGuinness, a prominent member of Sinn Féin, also heads the IRA's military command.

Mr McGuinness, whose views recently are said to have straddled those of the opposing peace and war factions in the Republican movement, has been identified as the IRA's chief of staff.

The mood of pessimism was reinforced yesterday by demands from Mr Gerry Adams, the Sinn Féin leader, for Mr Major to open an "unconditional dialogue".

Blaming Mr Major for an "intolerable stalemate" Mr Adams said that up to now he had not been offered "any political package with which to approach the IRA". But Mr Major told MPs at Westminster he would not be drawn "bit-by-bit" into negotiations with Mr Adams while violence continued.

The British government believes that Mr Adams, regarded still as a "dove" in the Republican movement, is unwilling to contemplate the split in the IRA senior ranks which would follow a cessation of violence.

That view has apparently been confirmed by Mr Adams' recent letter to Major. The letter, which has not been published, demands direct negotiations as well clarification of some aspects of the Downing Street declaration.

Mr Major will make it clear the opportunity for the IRA to renounce violence will remain open – as will the offer of an eventual place in negotiations for Sinn Féin. The government, [illegible] ious not to weaken the commitment of Dublin and the mainly Catholic SDLP led by Mr John Hume to a settlement excluding Sinn Féin, [illegible] the declaration will not be revoked.

Mr Albert Reynolds, the Irish prime minister, and Mr Hume have invested enormous political capital in the [illegible] to end the IRA's campaign of violence. Mr Major will [illegible] Mr Hume for talks today. He will [illegible] the IRA cannot be [illegible] to hold up indefinitely the search for internal political settlement.

French employers press central bank for interest rate cuts

By John Ridding in Paris

The Patronat, the French employers' federation, called for further interest rate cuts yesterday, particularly for short-term loans, to help revive what it [illegible] as the country's stagnant economy.

Mr Ernest-Antoine Seillière, the vice-chairman, said gradual reduction in French interest rates had been insufficient. "Economic activity has [illegible] revived without relatively low short-term interest rates," he told a press conference, calling on the newly independent Bank of France to show courage and bring down borrowing costs.

France's intervention rate, the floor for money market rates, is 6.2 per cent. It has been gradually reduced since the summer's currency crisis, but with inflation at an annual rate of 2.1 per cent, businesses still face relatively high real borrowing costs.

Mr Seillière gave a downbeat assessment of the state of the French economy. "We are leaving recession, but the situation is fragile," he said, forecasting that gross domestic product would expand by between [illegible] per cent and 1 per cent this year. The government is forecasting growth of 1.4 per cent.

The Patronat vice-chairman also denied that French industry had done too little to help curb the rise in unemployment, which stands at more than 12 per cent of the workforce.

President François Mitterrand last week [illegible] employers for failing to [illegible] jobs in spite of receiving FFr80bn (£9bn) through the removal of a delay in the reimbursement of value added tax payments, the transfer of family allowance welfare contributions for low-paid workers from companies to the state, and other measures.

"Industry [illegible] be [illegible] as a punching ball," Mr Seillière said. He rejected Mr Mitterrand's claim that [illegible] to industry had been "gifts". Mr Seillière also opposed a proposal by Mr Edouard Balladur, the prime minister, that refunds of value added tax should be conditional on job creation. The proposal has drawn strong criticism from French industrialists. Mr Jacques Calvet, chairman of Peugeot-Citroën, rejected the idea as illogical.

Asian markets drop sharply

Continued from Page 1

Singapore and Manila were both down by more than 2 per cent.

Many of [illegible] Asia's markets surged last year, with much of the rise in the final quarter after US and Japanese banks and brokers, notably Morgan Stanley and Nomura, put out strong recommendations. Manila rose by almost 155 per cent, Hong Kong by over 115 per cent and Kuala Lumpur by [illegible] per cent.

Analysts say this left the region vulnerable to [illegible] in profits, which was confirmed last week when [illegible] previously bullish strategists downgraded their views on the region's attractions. The result has been a [illegible] 19.3 per cent [illegible] in Kuala Lumpur since the start of this year, and falls of over 14 per cent in Hong Kong and Bangkok.

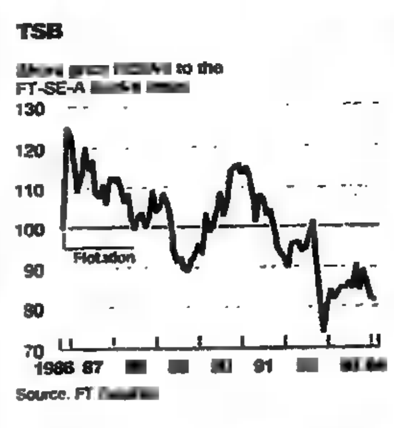
THE LEX COLUMN

Suffering Siemens

The 5 per cent fall in Siemens' shares yesterday is nothing compared to the rough treatment given to Alcatel-Alsthom following its profits warning on Wednesday. Yet Siemens now stands [illegible] per cent below the peak reached at the turn of the year, which underlines how far stock market valuations have run ahead of earnings prospects. There are bright spots in yesterday's statement, such as the prediction that semiconductors will return to profit by [illegible] and the promise of reduced losses at Siemens Nixdorf this year. The [illegible] is that [illegible] elimination will be offset by declining profits elsewhere.

Like Alcatel-Alsthom, one of Siemens' most profitable divisions is starting to suffer as European governments cut spending on telecommunications. That squeeze on new orders and margins is worst on Siemens' home turf. Income from its large investment portfolio, which helped maintain profits in 1992-93, is also in decline. While the impact of lower interest rates and bond yields is impossible to predict, though, there are signs that dwindling investment income is spurring management to tackle the operational problems.

The promise of 10,000 job cuts this year – around 2.5 per cent of the workforce – is a step in that direction. More of the [illegible] would help support the shares at the lower level now established. The lingering danger for shareholders is that Siemens feels obliged to spread the pain and cut its dividend as well. Since the pay-out was last raised in 1990, and then only by 50 pfennigs, a cut at this stage would be especially cruel.



Source: FT [illegible]

TSB

The leap from £5m to £301m in TSB's annual profits is gratifying. But it reflects more the fading impact of past mistakes than any vindication of current strategy. Strip away the impact of lower provisions and profits grew only 11 per cent. Factor the exceptional £70m restructuring charge back into staff costs and operating profits would have been flat. There is not much sign of the *bancassurance* concept putting revenue on an inexorably upward track. By keeping deposit rates high, TSB is sacrificing banking income to attract customers into its branches so it can sell them insurance. Lending margins will come under pressure this year as the mortgage [illegible] becomes more competitive. [illegible] operating profit is a [illegible] problem for banks thanks to the impact of low [illegible] and the failure of economic recovery to [illegible] loan demand. That may explain the industry's renewed emphasis on shedding jobs. At least TSB can console itself with the fact that return on capital in its retail bank is already 20 per cent. Barring any [illegible] upsets over pension refunds, which have been flagged but not publicly quantified as a possible problem, group return should rise steadily to the target [illegible] per cent as problem loans wind down.

That still begs the question of what TSB should do with its surplus capital. Yesterday's statement [illegible] designed to steer expectations away from a special dividend, but the tier one capital ratio is already 8.7 per cent and rising. Sooner or later TSB may have to choose between a share buyback or another risky acquisition.

Rank Organisation

One of this year's intriguing themes will be whether supposedly cyclical [illegible] stocks prove to be as cyclical as the market presumes. The high savings ratio seemingly highlights the scale of latent demand. Confidence appears to be returning, too. Rank's shares have benefited from such optimism in the leisure sector, outperforming the market by [illegible] per cent over the past year. Its annual figures contain [illegible] substance to underpin the sentiment. The current 8 per cent gain in bookings for domestic holidays is encouraging.

Small volume gains are also being made elsewhere – even if price rises are hard to achieve, as First Leisure noted this week. But recovery may prove precarious with the chancellor poised to hit consumers with more taxes. Other factors, too, may swing against Rank this year. Rank Xerox will have to swallow its share of Xerox Corporation's $700m restructuring charge. Jurassic Park can no longer be relied upon to pull [illegible] through cinema [illegible]. Rank's £995m debt burden will continue to [illegible] any grander corporate ambitions. And the renewed rumours that it will dispose of its stake in Rank Xerox could prove as ill-founded as the more ambitious recovery hopes.

The tax implications of disposing of Rank Xerox would prove especially heavy now that [illegible] acquired [illegible] have been exhausted. Rank may prefer to hang on to the asset rather than sell it to pay down its debts. But Xerox's poor [illegible] in mainland Europe are another reason to expect modest progress at Rank this year.

Berisford/Magnet

Should the Magnet case study graduate to the Bankers Trust training programme it is unlikely to appear as one of the great trades of the [illegible] century. Still, as a salutary tale for young bankers it has its merits. The £629m valuation put on Magnet by Bankers Trust when it led the buy-out five years ago seems unimaginable now. While most of the money has long since evaporated, selling out for [illegible] will cause a wince of pain.

The banks have performed their traditional role of selling a business at the bottom of the cycle, but that by no means guarantees that Magnet is a good purchase for Berisford. There is cash in the business but most will be required to sort out the mess. By the time the assets have been written down, Magnet will not look as cheap. At the strategic level, we are not yet successfully [illegible] and pro[illegible] building supplies operations. The new markets which Berisford is eyeing are already occupied by [illegible] competitors. Spring [illegible] Regency operation may generate substantial overcapacity in doors; MFI will keep up the heat in [illegible].

None of that will make it easier for Berisford to [illegible] Magnet's [illegible] margins. At [illegible] the [illegible] conglomerate spring [illegible] will yield [illegible] cient savings to put the operation back into profit. [illegible] will probably back what is, at heart, a classic piece of shell company financing, especially since the upturn will underwrite most of the risk.

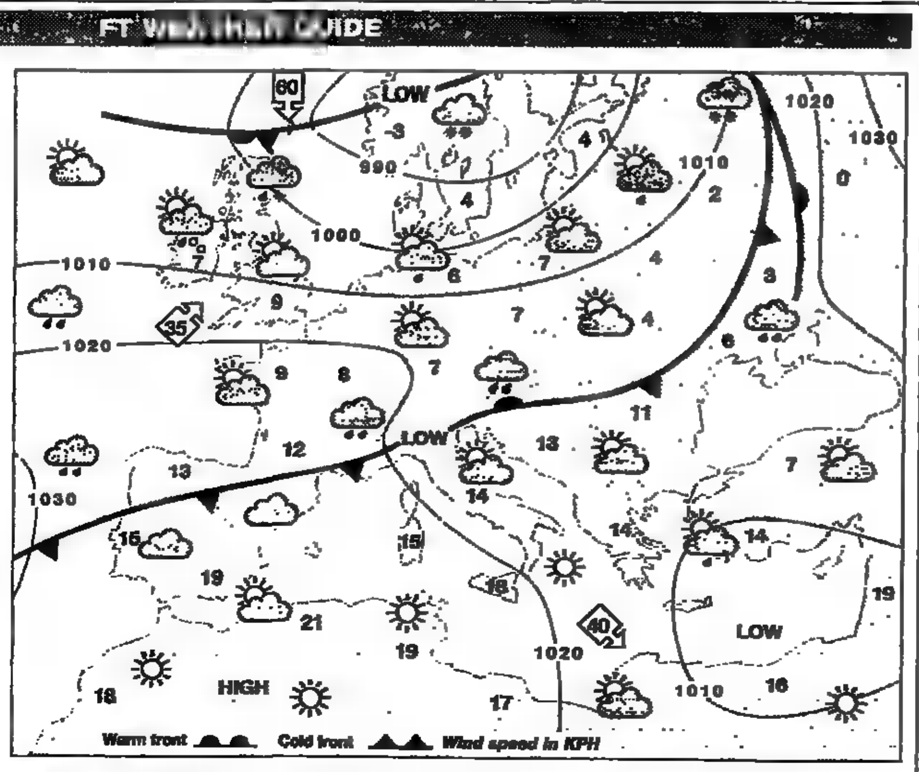
FT WEATHER GUIDE

Europe today

Many [illegible] will be overcast, especially [illegible] Europe. [illegible] will [illegible] light [illegible] in the north and rain in the south. Scandinavia will be unsettled with [illegible] temperatures well below freezing in [illegible] northern regions. The Alps will have light rain with snow likely above 1,600 m. Benelux, Germany and the UK will [illegible] and [illegible] showers. North-west Spain will be cloudy but mostly dry. South-east Spain and Italy will be [illegible] and sunny. [illegible] showery.

Five-day forecast

[illegible] air from the Arctic will [illegible] bringing wintry [illegible] at the [illegible]. On Saturday, prolonged and [illegible] heavy rain is expected in England and Benelux, while [illegible] will [illegible] light snow. On Sunday, many parts of north-west and [illegible] Europe will be wintry with [illegible] likely, [illegible]. Showery [illegible] will move across [illegible] Europe and temperatures start to drop. By Monday, milder air [illegible] will [illegible] in and rising temperatures will turn [illegible] to rain.



TODAY'S TEMPERATURES

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

		Maximum Celsius
Abu Dhabi	sun	26
Accra	fair	32
Algiers	sun	21
Amsterdam	fair	9
Athens	fair	14
B. Aires	fair	29
B.ham	fair	7
Bangkok	fair	36
Barcelona	fair	15
Beijing	fair	2
Belfast	fair	[illegible]
Belgrade	fair	1[illegible]
Berlin	cloudy	[illegible]
Bermuda	thund	25
Bogota	fair	20
Bombay	fair	28
Brussels	fair	9
Budapest	fair	9
C.hagen	shower	6
Cairo	fair	17
Cape Town	fair	24
Caracas	cloudy	27
Cardiff	fair	8
Chicago	snow	-16
Cologne	fair	8
D' Salaam	fair	32
Dakar	sun	26
Dallas	sun	19
Delhi	fair	16
Dubai	sun	25
Dublin	fair	6
Dubrovnik	fair	17
Edinburgh	fair	5
Faro	fair	17
Frankfurt	shower	7
Geneva	rain	7
Gibraltar	sun	19
Glasgow	shower	5
Hamburg	shower	6
Helsinki	rain	4
Hong Kong	cloudy	17
Honolulu	fair	27
Istanbul	fair	13
Jersey	shower	9
Karachi	sun	25
Kuwait	fair	23
L. Angeles	sun	28
Las Palmas	fair	23
Lima	fair	27
Lisbon	fair	14
London	fair	9
Lux.bourg	shower	6
Lyon	rain	6
Madeira	fair	19
Madrid	fair	12
Majorca	sun	18
Malta	fair	17
Manchester	shower	7
Manila	fair	[illegible]
Melbourne	fair	[illegible]
Mexico City	sun	20
Miami	shower	22
Milan	fair	10
Montreal	snow	-12
Moscow	snow	1
Munich	rain	7
Nairobi	fair	27
Naples	sun	18
Nassau	fair	27
New York	snow	-1
Nice	fair	15
Nicosia	shower	16
Oslo	cloudy	1
Paris	fair	9
Perth	fair	29
Prague	cloudy	8
Rangoon	sun	34
Reykjavik	fair	0
Rio	fair	29
Riyadh	fair	24
Rome	sun	15
S. Frsco	sun	18
Seoul	fair	4
Singapore	fair	30
Stockholm	cloudy	4
Strasbourg	shower	10
Sydney	fair	26
Tangier	fair	18
Tel Aviv	shower	18
Tokyo	cloudy	9
Toronto	snow	-14
Tunis	fair	19
Vancouver	shower	9
Venice	fair	10
Vienna	cloudy	10
Warsaw	cloudy	7
Washington	cloudy	3
Wellington	shower	21
Winnipeg	sun	-26
Zurich	rain	7

FINANCIAL TIMES
COMPANIES & MARKETS
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Friday January 14 1994

IN BRIEF

Polish TV looks to the future

The shape of Polish commercial television may depend on the outcome of public hearings which begin in Warsaw tomorrow. They will decide which of 10 competing foreign and national media groups should have the first Polish commercial television licence. Page 22

JP Morgan ends a strong year
J. P. Morgan confounded Wall Street sceptics with record trading income during the final quarter of 1993r. Page 23

Bear Stearns at a record
Bear Stearns, the New York securities house, yesterday announced a 110 per cent jump in its second quarter profits. Page 23

A shoal of problems

Two Canadian fishing companies which were difficult to tell apart six years ago now look totally different. There was one big difference between the two companies – one was laden with debt. Page 24

A winning streak in India
Indian shares continued their winning streak, fuelled by hopes that next month's budget will give impetus to economic growth and liberalisation. Back Page
India admits foreign brokers, Page 24

Solid recovery at TSB
TSB Group, the UK bank, exhibited a solid recovery from poor lending in the late 1980s with its full-year results. Page 22; Lex, Page 20;
London SE, Page 29; Hill Samuel, Page 27

Berisford to buy Magnet
Berisford International, the UK shell company, is to buy Magnet, the UK kitchen cabinets and joinery manufacturer and distributor. Page 22

Rank ahead due to cost-cutting
The Rank Organisation, the UK leisure group, yesterday announced full year pre-tax profits of £276.6m, ($409m) compared with a restated £125.8m, but said there had been [illegible] improvement in market conditions. Mr Michael Gifford, chief executive, said the improvement was the result of cost-cutting and improved cash management. Page 26

Cray Electronics surges on 10% sales rise
Cray Electronics Holdings, the UK data communications and software systems group, doubled [illegible] operating profits on an underlying 10 per cent [illegible] in turnover. Page 26

Securicor up but Cellnet stays flat
Securicor, the UK security and communications group, announced a 33 per cent increase in annual profits despite a flat performance by Cellnet, its [illegible] per cent-owned mobile phone network. Page 27

Chief price changes yesterday

FRANKFURT (DM)							
Rises				**Rises**			
Philips Kommun	515	+	10.5	Interbail	540	+	17
Falls				Pernod Ricard	438.5	+	19.5
Degussa	473	–	20	**Falls**			
Holzmann Ph	1028	–	34	Air Liquide	861	–	22
Karstadt	536	–	24	Bancaire Cie	629	–	19
Siemens	728	–	35.5	Canal	1112	–	37
Thyssen	258	–	12	Schneider	434.8	–	22.9
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
Bear Stearns	23½	+	½	Advantest	3050	+	260
Citicorp	40⅞	+	1½	Chiyoda	2800	+	280
Exxon	65⅝	+	⅞	Ishihara Sangyo	355	+	24
JP Morgan	70⅜	+	⅜	Ishikawa Seisak	492	+	42
Falls				Saitama Sani	295	+	25
LA Gear	7⅝	–	8⅝	**Falls**			
Quaker Oats	68½	–	2⅞	Honshu Paper	590	–	40
PARIS (FFr)							

New York prices at 12.30pm.

[illegible] (Pence)							
[illegible]				TSB	267	+	15
Abbey National	507	+	21	Wimpey (G)	204	+	[illegible]
Bourne End	87	+	5	**Falls**			
Cementone	94	+	6	Atreus	15½	–	4½
Clayton Son	70	+	10	Brown Jackson	9½	–	2⅞
First Leisure	310	+	[illegible]	Carr's Milling	194	–	23
Geest	[illegible]	+	16	Courtyard Leis	20	–	3
Hillsdown	184	+	10	Cray Elect	164½	–	6½
Inspirations	137	+	13	Ramco Oil	154	–	10
Kelt Energy	46	+	5	[illegible]	650	–	[illegible]
MFI Furniture	174	+	9	[illegible]	40	–	[illegible]
Medeva	157	+	14½	Yorks-TyneT TV	160	–	11
Real Time Cntrl	90	+	15				
Shaw (Arthur)	68	+	6				

Banks shift Metallgesellschaft

By David Waller in Frankfurt and Alice Rawsthorn in [illegible]

Metallgesellschaft, the stricken German metals, mining and industrial [illegible] ground to creditor [illegible] yesterday, relaxing its uncompromising [illegible] on the DM3.4bn ($1.97bn) refinancing proposals.

[illegible] frantic negotiations on both sides [illegible] Atlantic, Metallgesellschaft reached an agreement with [illegible] Landesbank, the German public [illegible] bank which had denounced the [illegible] package earlier in the week.

But although [illegible] concessions wrung from the Frankfurt-based conglomerate are to be offered to all banks, the modified proposals were not enough to win over French banks who formed a new centre of [illegible] Bank, Germany's [illegible] biggest banks and shareholders [illegible] Metallgesellschaft, [illegible] from [illegible] to Paris yesterday afternoon [illegible] hold [illegible] with French creditors, including [illegible] Générale, Crédit Lyonnais and Banque Paribas.

Representatives of large French banks gathered [illegible] Générale's [illegible] headquarters [illegible] outline their objections to the restructuring proposals.

French banks [illegible] believed to be owed [illegible] of the near DM5bn lent by 120 banks.

Deutsche Bank, Metallgesellschaft's biggest creditor [illegible] chairman of [illegible] creditor [illegible] committee, [illegible] last night: "We are happy [illegible] these last minute efforts [illegible] acceptance of the plan."

Metallgesellschaft, whose [illegible] were suspended yesterday, [illegible] it would not be able to make a statement [illegible] the response [illegible] refinancing plans [illegible] Saturday. [illegible] Bank [illegible] on [illegible] won by [illegible] original proposals envisaged [illegible] rights issue, [illegible] conversion of [illegible] of bank [illegible] junior convertible stock [illegible] the granting of DM700m of [illegible] credit lines.

The company's willingness [illegible] represents a big [illegible] in [illegible] position. [illegible] threatened [illegible] would [illegible] insolvent [illegible] proposals [illegible] accepted in their entirety. [illegible] 5.30pm Wednesday [illegible] slipped by [illegible] many banks made it clear that they saw the "all or nothing" [illegible] a tough negotiating position.

Although the majority [illegible] domestic credi[illegible] fell into line, Nord LB and [illegible] foreign [illegible] objected to [illegible] and presentation. [illegible] focused on the [illegible] conversion and the requirement for [illegible] creditors [illegible] contribute to [illegible] rights [illegible]

The French banks wrote to Deutsche Bank on Wednesday outlining their [illegible]sition. [illegible] Générale, which [illegible] owed DM235m, argued that [illegible] main shareholders, including Deutsche Bank, Dresdner [illegible] the Allianz insurance group, [illegible] "play a larger part" in [illegible] restructuring.

Although Société Générale acted [illegible] spokesman for the French faction in yesterday's negotiations, [illegible] Gallic [illegible] were equally vociferous. Crédit Lyonnais, [illegible] owed [illegible], refused [illegible] accept Deutsche [illegible] plan.

Management, Page 10

GTE in $1.8bn shake-up charge

By Martin Dickson in [illegible] York

GTE, the largest local telecommunications company in [illegible] US, yesterday announced pre-tax fourth quarter charges of $1.8bn, mainly to [illegible] restructuring its telephone operations [illegible] shedding 17,000 jobs.

It [illegible] the latest of several programmes [illegible] cut jobs and improve efficiency announced recently by America's local telecommunications companies, which face growing competition from [illegible] rivals to their traditional monopolies.

GTE, which [illegible] a patchwork of markets [illegible] the US, said yesterday's redesign – the result of a management technique known [illegible] process engineering – would give annual [illegible] savings of $1bn. It would also "revolutionise" [illegible] service in [illegible] telephone operations.

The charges will cut fourth quarter [illegible] income by $1.2bn, or [illegible] a [illegible]. The [illegible] said that, excluding the charges, 1993 earnings [illegible] expected [illegible] be in [illegible] with expectations.

[illegible] $1.3bn of [illegible] pre-tax charges [illegible] from the re-engineering initiative. They include [illegible] upgrade [illegible] service [illegible] administrative systems and software and $410m for employee [illegible]

[illegible] charges include [illegible] the writedown [illegible] assets of Spacenet, [illegible] satellite communications business, which [illegible] being combined [illegible] serving [illegible] US government.

The job [illegible] represent [illegible] per cent of [illegible] 73,000 [illegible] in the group's [illegible] telephone busi[illegible] 13 per [illegible] of its total [illegible] force.

[illegible] spent the last [illegible] years selling off peripheral busi[illegible] to [illegible] local telecoms, but questions [illegible] strategy [illegible] the [illegible]ing [illegible] of inter-active multimedia [illegible]

It is one of the few large [illegible] telephone companies not [illegible] have announced an alliance with [illegible] cable television company, although it [illegible] one of the [illegible] to conduct trials of customer demand for inter-active home entertainment.

Mr [illegible] Lee, the chairman, said yesterday's moves would position [illegible] to "accelerate delivery of a full array of voice, [illegible] and [illegible] services".

[illegible] to customers from the changes would include the ability [illegible] move into a new home and [illegible] a telephone service activated in minutes.

Murdoch moves to sort out Star TV

By [illegible] Holberton in [illegible]

Mr Rupert Murdoch, [illegible] of [illegible] Corporation, plans [illegible] temporarily [illegible] Hong Kong next month to oversee [illegible] TV, his [illegible] vision company.

[illegible] Mr Murdoch's [illegible] purchase of 63.6 per cent of the broadcaster six months ago, Star [illegible] difficulties in [illegible] of its main [illegible] – Taiwan, Hong Kong and China.

Industry experts [illegible] running [illegible] annual loss [illegible]. Mr Murdoch [illegible] expected to spend up [illegible] months of the year in Hong Kong. A house has been acquired for his use.

Mr Murdoch prefers his latest acquisitions to be close at hand. He moved [illegible] Australia to the UK in the late 1960s after he bought the News of the World and settled in the US in the 1980s after several media acquisitions.

Mr Gary Davey, [illegible] third chief executive in [illegible] months, was appointed eight days ago. He has said a priority would be to improve relations with Wharf Cable – which is meant to transmit Star's TV programmes in Hong Kong – and China.

Wharf began its cable TV operation in Hong Kong in October last year. As part of its exclusive cable licence, it is required to carry Star. The two companies have been unable to agree terms. The government may have to broker a deal.

In China, officials are suspicious of western media companies. An article by Mr Murdoch in The Times last September, about the threat posed by satellite television to totalitarian regimes, disquieted Beijing.

China has said that unlicensed satellite dishes will be banned and is pushing ahead with cable networks in important cities. Cable television, because it is a terrestrial system, is easier to control than an unregulated extra-terrestrial broadcaster.

Star was dealt a blow at the beginning of this year when Satellite Television [illegible], its advertising [illegible] agent in Taiwan, withdrew from an agree[illegible] provide [illegible] with more than $100m [illegible] during four years. STM [illegible] owned by United Communications Group – Taiwan's largest media and advertising group. [illegible] now [illegible] the prospect of [illegible] in Taiwan, hitherto [illegible] most profitable market.

Analysts have questioned the wisdom of Star buying 49.9 per cent of Asia Today Ltd (ATL), the [illegible] of [illegible] TV, an Indian television station.

Chairman warns against hasty conclusions as earnings expected to fall by as much [illegible] 15 per cent in current financial year

Strong orders fail to alter Siemens outlook

By Christopher [illegible] in [illegible]

Siemens, the electrical and electronics multinational, has [illegible] it expects earnings [illegible] by between 10 and 15 per cent in the [illegible] financial year, in spite [illegible] strong [illegible] of orders in [illegible] quarter.

Mr H[illegible] Pierer, chair[illegible], yesterday warned against drawing hasty conclusions from [illegible] recorded [illegible] end of December. Mr [illegible] Pierer based [illegible] estimate of lower earnings on assumptions [illegible] financial [illegible] of DM2.1bn [illegible] year, compared with about DM1bn [illegible] 1991-92, [illegible] fall.

"As [illegible] people, [illegible] capital market conditions will remain unfailingly favourable," he said.

Siemens-Nixdorf (SNI), the loss-making computer business would return a deficit of about [illegible] ($174m), according to Mr Karl-Hermann Baumann, finance director.

[illegible] last [illegible] reduced its [illegible] from more than [illegible] about [illegible]. The [illegible], which shed [illegible] workers last year, would again [illegible] particularly affected by plans for some 10,000 group-wide job cuts [illegible] cur[illegible]

According to Mr von Pierer, the computer business [illegible] hopes to break even in [illegible]. Officials expect semi-conductors, another persistent drain [illegible] profits, to return to [illegible] black in 1995.

Mr von Pierer rejected speculation that the departure of Mr [illegible] Wiedig, chairman of [illegible] premature because of his failure to turn the business round. Mr Wiedig, who is [illegible] to Mr Gerhard Schulmeyer, [illegible] in [illegible] US, [illegible] October 1, had told him he felt that [illegible] in data processing [illegible] enough and that he did not want to [illegible] his contract when it expired this September.

SNI was doing better than [illegible] others in the computer business, Mr [illegible] Pierer claimed. [illegible] mid-range products had been [illegible] received. Volume [illegible] of personal computers [illegible] doubled, although [illegible] still suffering from falling prices.

The company's problems [illegible] from [illegible] culture clash when [illegible] and [illegible] were merged in [illegible].

Those problems had been [illegible]pounded in [illegible] intervening period by [illegible] collapse in the industry worldwide and by [illegible] impact of recession, Mr [illegible] Pierer said.

As reported last November, [illegible] pre-tax profit for [illegible] 9 per [illegible] DM2.9bn and net income increased marginally to DM1.98bn.

According [illegible] Mr Baumann, earnings [illegible] operating busi[illegible] excluding investment [illegible] dropped [illegible]

During the [illegible] quarter of [illegible] new [illegible] foreign orders [illegible] 33 [illegible] DM13.2bn, but only 8 per [illegible] adjusted [illegible] allow for [illegible] distorting effects of booking large [illegible] contracts and the first-time inclusion [illegible] Osram Sylvania lighting [illegible] in the US.

The domestic order book, which [illegible] heavily dependent on public contracts, fell by 6 per cent to [illegible]

Details of [illegible] orders booked for the [illegible] financial year, which were [illegible] yesterday, showed clear signs [illegible] the recession [illegible] of reduced government spending, particularly [illegible] Germany.

[illegible] public communications, [illegible] group's biggest single business, [illegible] 7 per cent to DM13.4bn [illegible] rising by [illegible] per cent [illegible] previous [illegible]

The [illegible] power generation division booked an increase of only 1 [illegible] cent, [illegible] automation equipment slipped ½ per cent, demonstrating [illegible] effects of reduced capital investment by industrial customers.

Government figures published earlier this week showed that west German spending on [illegible] plant [illegible] equipment fell by almost 15 [illegible] year.

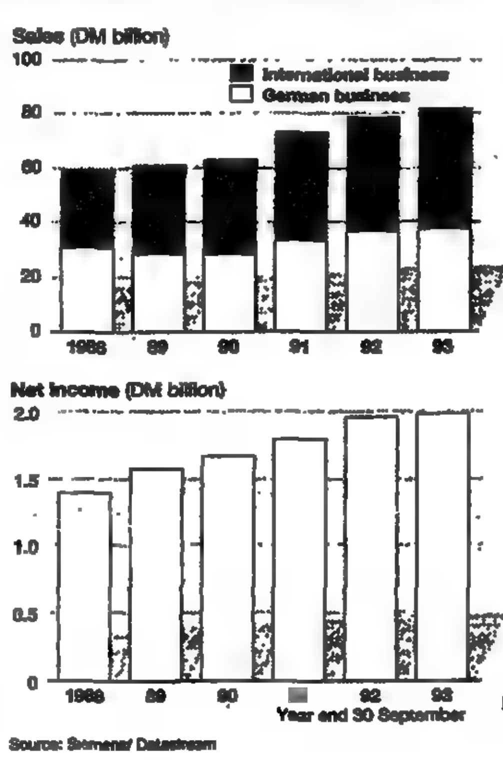
However, fast-growing busi[illegible] private communications [illegible] the group's railway operations, [illegible] increased orders of [illegible] per cent and 25 per cent respectively.

Mr von Pierer, who described last year's figures as respectable [illegible] the light of [illegible] environment, claimed the group would emerge stronger from recession. Programmes for increased productivity and for shortened product cycles had been introduced.

Siemens also planned to hire engineering graduates [illegible] part-time basis. "Employment restrictions must not be allowed to interrupt the ongoing process of recruiting highly qualified graduates," Mr von Pierer said.

Lex, Page 20
[illegible] stock markets,
[illegible] Page

Siemens' performance record



Source: Siemens/ Datastream

Heinrich von Pierer
Chairman

UK television company in talks with American suitor

By Raymond Snoddy in London

London Weekend Television [illegible] talking [illegible] a North American group which proposes to [illegible] of just under [illegible] per [illegible] in [illegible] ITV company. LWT [illegible] trying to [illegible] hostile bid [illegible] Granada, the television, rental [illegible] group.

If the talks [illegible] to a deal, [illegible] could transform the [illegible] control [illegible] because senior managers own 10 per cent and have said they will not sell.

[illegible] believed the potential North American [illegible] plan would be to hold the stock for [illegible] relatively short time while other potential international media investors, already lined up, carry out due diligence.

All the signs [illegible] LWT is trying [illegible] put together [illegible] international [illegible] plan [illegible] a takeover [illegible] Yorkshire-Tyne Tees.

[illegible] for LWT because [illegible] extended [illegible] offer of six [illegible] for every five – worth nearly [illegible] – [illegible] January [illegible] and is expected to come up with improved [illegible] final closing [illegible] February 4.

At [illegible] LWT [illegible] appealing [illegible] reject [illegible] Granada [illegible] on [illegible] record of [illegible] management team, [illegible] by Sir Christopher Bland, and [illegible] pre-tax profit estimate of [illegible].

Support for [illegible] LWT [illegible] came yesterday from [illegible] Pelly, [illegible] analyst [illegible] stockbrokers Kleinwort Benson, believed to be the first City analyst to say unequivocally that the Granada bid should be rejected.

"The terms of the hostile bid by Granada Group for LWT do not represent the economic and strategic value of LWT to Granada," she argued in [illegible] research [illegible]

The widespread view [illegible] the City is [illegible] will win the tussle, but probably only after the [illegible] are "sweetened".

The Kleinwort analyst pointed out that the offer, which on January 12 valued LWT at 670p per share, represented an exit price/earnings ratio of 23.5 times, little more than that of Scottish Televi[illegible] which is not facing a bid.

Eurotunnel confirms Chazot job

By John Ridding in Paris and Charles Batchelor in London

[redacted] Georges-Christian [redacted] French industrialist, was [redacted] terday confirmed as the new [redacted] chief [redacted] of Eurotunnel. The appointment [redacted] ahead [redacted] the launch [redacted] cross-channel rail [redacted] in the spring.

Mr Chazot, [redacted] will [redacted] responsible for [redacted] day-to-day running [redacted] the group, will [redacted] his position on Monday. "He will be in charge [redacted] turning the company into a profitable organisation over the [redacted] years," [redacted] Eurotunnel.

The appointment means [redacted] Sir [redacted] Morton, [redacted] had [redacted] acting [redacted] chief executive, will [redacted] his role as [redacted] chairman alongside Mr André Bénard. Both, however, are expected gradually [redacted] their [redacted] in the running of [redacted] company.

Eurotunnel said Sir Alastair was "looking forward to no longer working 150 [redacted] on the project and just doing a normal full-time job". He would still [redacted] involved in rais[redacted] £1bn ($1.5bn) in fresh capital to complete the financing [redacted] the project; in settling outstanding claims with British Rail and SNCF; and in prepar[redacted] for [redacted] official opening of the tunnel on [redacted]

In November, Sir Alastair [redacted] appointed chairman of [redacted] British government's private finance working group, [redacted] with finding [redacted] of involving private [redacted] in public projects. [redacted] is expected to spend [redacted] a week [redacted] this [redacted]

Mr [redacted] said Mr [redacted] had been [redacted] because of his international experience and technical [redacted] commercial background. "He had [redacted] profile we were looking for and he has a very international experience."

[redacted] of Mr [redacted] experience comes from industry. An engineering graduate, he [redacted] spent most [redacted] at Alcatel, [redacted] communications group, and Schlumberger, the electrical engineering [redacted] He also [redacted] experience of the services sector, his most recent position being the head of French operations for Adia, the Swiss temporary employment group.

Mr [redacted] will be based at Eurotunnel's London headquarters. His appointment will tip the balance [redacted] the company's [redacted] in [redacted] of France. There will [redacted] French [redacted] members, [redacted] British, an American, and [redacted] Belgian.

Freight services [redacted] shuttle wagons through [redacted] tunnel [redacted] due [redacted] start in March, while [redacted] will [redacted] immediately after the official opening [redacted] beginning [redacted] May.

Drop in provisions for bad debt boosts TSB

By John Gapper, Banking Editor

TSB Group yesterday exhibited a solid recovery from poor lending in the late 1980s by announcing full-year pre-tax profits of £301m ($451.5m), against £5m, helped by a large fall in provisions for bad debts.

The dividend for the year was increased by 20 per cent to 7.68p, against 6.4p. Sir Nicholas Goodison, TSB chairman, said this restored the payout to the level it would have reached if the bank had not frozen it in 1991 and 1992.

He said it had made "prudent" provisions for possible compensation payments from the sale of pensions to people transferring out of occupational pension schemes.

It has 55,000 pension transfer customers – around 10 per cent of the estimated 500,000 pension [redacted] sold. The total value of amounts [redacted] ferred from occupational [redacted] to TSB [redacted] about £500m.

TSB [redacted] it intended [redacted] keep Hill Samuel, the merchant banking and fund management arm which [redacted] it [redacted] it might sell. Mr [redacted] Ellwood, group [redacted] executive, said TSB was now investing in Hill Samuel.

Bad debt provisions in the year to October 31 fell from £597m to £343m.

Lex, Page 20; London SE, Page 29; Hill Samuel, Page 27

Poland launches 'beauty contest' for TV licence

Public hearings this weekend may decide the future shape of Polish commercial television, report Christopher Bobinski and Anthony Robinson

The future shape of Polish commercial television may depend on the outcome of unprecedented public hearings which begin in [redacted] tomorrow. [redacted] hearings, chaired by Mr Marek Markiewicz, head of the nine-man Television and [redacted] Council, the regulatory body, will decide which of 10 compet[redacted] foreign and national media groups should be awarded the first Polish commercial television licence.

The [redacted] high. Major international media [redacted] nies, including Bertelsmann of Germany, the Compagnie Luxembourgeoise de Telediffusion (CLT), and Time-Warner of the US, are in the ring.

CLT [redacted] linked [redacted] while Time-Warner [redacted] har[redacted] with [redacted] and Capital Cities-ABC. [redacted] government-linked company, [redacted] running together [redacted] CEDC Media Enterprises, [redacted] by Mr Mark Palmer, the former [redacted] Budapest. [redacted] pay-TV [redacted] Canal Plus, has put in [redacted] separate bid.

Meanwhile, Top Canal, [redacted] local pirate broadcaster, has enlisted the services of Kinnevik International, the Swedish media group, while Italian [redacted] represented by Mr Nicola Grauso. [redacted] Grauso, [redacted] and print [redacted] owner from Sardinia, [redacted] some of his programming [redacted] advertising from Mr Silvio Berlusconi's Fininvest [redacted]

The hearings have [redacted] designed [redacted] give maximum transparency [redacted] view [redacted] the potentially [redacted] nature [redacted] the licence and [redacted] political sensitivity.

The proposed new channel will carry news and current affairs programmes as well as entertainment and sport. It will, therefore, bring an end to complete political control over the most influential opinion-forming medium in Poland.

With over 38m inhabitants, Poland is the largest of the post-communist states of central Europe and the first to emerge from the recession which followed shock therapy economic reforms. Over 50 per cent of the economy is now in private hands and 4.5 per cent economic growth is expected for 1994, after a 4 per cent rise in GNP last year.

Whether the new licence will prove to be "a licence to print money", as in the early days of UK commercial TV, [redacted] remains unclear. Last year, the total advertising spend on Polish TV is estimated by advertising industry [redacted] around $130m.

Industry [redacted] put the initial investment required [redacted] get the proposed new channel off the ground and running at [redacted] $60m [redacted] Clauses in the law require that around 50 per cent of broadcast output [redacted] produced locally, so raising costs, while foreign shareholdings in [redacted] competing groups have [redacted] limited by law to 33 per cent.

This means that all the international players have had [redacted] find local partners, [redacted] financial resources are in most cases limited.

[redacted] for the [redacted] is that initially the new "national" chan[redacted] the potential audience. The military say they can only free [redacted] frequencies [redacted] for nationwide coverage if they are given [redacted] from [redacted] cash-strapped budget [redacted] modernise air traffic control equipment.

Mr Piotr Kolodziejczyk, [redacted] defence minister, has said this could take up to three years. Such a delay means that the new channel will face losses of revenue to local and regional TV stations, which [redacted] applying for [redacted] and whose applications are to [redacted] decided at [redacted] later date.

[redacted] problem [redacted] frequencies could [redacted] sooner [redacted] Walesa, who is responsible [redacted] defence, was [redacted] disposed towards [redacted] council.

[redacted], the [redacted] already infuriated the President by appointing Mr [redacted] Walendziak, [redacted] independent-minded, 31-year [redacted] journalist [redacted] head state-owned TV.

The [redacted] led [redacted] Walesa publicly to call [redacted] the resignation [redacted] Mr Markiewicz, [redacted] colleagues nominated by him last year. The three refused [redacted] and the row [redacted] since died down, but it showed how precarious the council's position is.

Mr [redacted] council's chairman, is a soft-spoken, 42-[redacted] lawyer from Lodz [redacted] represented [redacted] Solidarity [redacted] union in the last parliament. He tends [redacted] pick [redacted] words with the thoughtful attention [redacted] a man who [redacted] he [redacted] in [redacted] political [redacted]

The council was originally appointed [redacted] by the pres[redacted] former Parliament. Its [redacted] were cho[redacted] 29 parties represented [redacted] parliament, [redacted] all strands of political opinion [redacted] the country.

Despite their differing politi[redacted] origins, the council [redacted] developed an esprit [redacted] they no longer [redacted] the political [redacted] recently [redacted] current parliament. The September elections [redacted] smaller parties and parliament is now [redacted] by [redacted] centre-left [redacted] with its [redacted] the [redacted] past.

In March, [redacted] council will present [redacted] annual report to parliament. [redacted] rejected, its members will [redacted] resign. As [redacted] charged [redacted] only with granting [redacted] monitoring broadcasting activity, [redacted] implications for [redacted] and [redacted] future of [redacted] proposed commercial channel are serious.

[redacted] far, the government has been careful [redacted] to back President Walesa in his attempts to [redacted] replaced. However, as Mr [redacted] Miller, the labour [redacted] attuned [redacted] the [redacted] wing [redacted] ruling [redacted] Alliance (SLD), says: "[redacted] Walesa has put the thought that Markiewicz and [redacted] colleagues might [redacted] into people's minds, so who [redacted]"

Renault to examine Volvo links

By John Ridding

Mr [redacted] Longuet, the French industry minister, has [redacted] Mr Louis Schweitzer, chairman [redacted] Renault, the state-owned motor vehicle group, [redacted] the [redacted] future of [redacted] industrial [redacted] legal links with Volvo [redacted] a meeting of [redacted] company's [redacted] week.

But officials at [redacted] French industry ministry rejected French press reports [redacted] Mr Longuet [redacted] the legal agreements [redacted] shareholdings established between [redacted] groups [redacted]

The agreements, which include Volvo's 20 per cent [redacted] in Renault [redacted] an [redacted] per [redacted] holding by [redacted] French [redacted] in Volvo AB, remain in force despite [redacted] collapse [redacted] planned merger [redacted] December.

French officials say [redacted] shareholdings and existing industrial agreements [redacted] not necessarily obstruct the government's plans to privatise Renault. Mr Longuet [redacted] Wednesday that privatisation would take place this [redacted], following the sale of Elf-Aquitaine, [redacted] Union des [redacted] de [redacted]

The [redacted] of [redacted] agreements, however, [redacted] to [redacted] sharp [redacted] in Volvo's [redacted] early [redacted] trading. Volvo's [redacted] gained [redacted] than 2.5 per [redacted] to [redacted] SKr600.

Forte, Soros discuss Ciga bid

[redacted] Tim Burt in London

Forte, the hotels and [redacted] ing [redacted] joint [redacted] with Mr George Soros, the international financier, for the Italian-based Ciga hotel chain.

The group has joined forces with Quantum Fund, Mr [redacted] vehicle, [redacted] Mediobanca, [redacted] merchant bank that has [redacted] the restructuring [redacted] highly-indebted Italian company.

Mr Richard Power, communications director at Forte, said the UK hotel group wanted to alter its initial agreement with Mediobanca to acquire Ciga.

Under its original offer, it [redacted] have [redacted] in [redacted] and inserted [redacted] of its luxury hotels, with [redacted] value [redacted] about £125m, into an Italian operating [redacted] in which it would [redacted] had a majority [redacted]

[redacted] been transferred [redacted] separate property holding company. The agreement would [redacted] given [redacted] of 35 [redacted] in Italy, Austria, France, the Netherlands and Spain.

However, Forte is thought to have [redacted] to [redacted] partner with substantial [redacted] following [redacted] from Ciga [redacted] bid package [redacted] include [redacted] property [redacted]

"[redacted] hope the Quantum Fund will [redacted] partner. It [redacted] been represented [redacted] our [redacted] discussions [redacted] Mediobanca," [redacted] Mr Power.

The rescue package for Ciga, controlled by a financial holding company owned by the Aga Khan, was put together after Mediobanca began restructuring the group's L1,000bn ($590m) net debts last year.

Forte denied last night that its latest bid for the company, which would give it a prestigious luxury brand, had been prompted by reports in Italy that Host Marriott, the rival US chain, was re-entering the bidding.

Euro Disney banks plan meeting

By Alice Rawsthorn in Paris

The Euro Disney creditor banks plan [redacted] hold [redacted] special meeting in Paris [redacted] January 26 [redacted] discuss their strategy in [redacted] negotiations to produce [redacted] financial rescue package [redacted] stricken leisure group.

The banks, which have formed a [redacted] committee [redacted] the restructuring led by Banque Nationale de [redacted] Banque [redacted] commissioned an [redacted] audit [redacted] Disney's finances from KPMG Peat Marwick, the accounting and consultancy group.

KPMG is expected by the end of today to produce a preliminary report on Euro Disney, [redacted] will present the [redacted] with [redacted] full audit [redacted] the January 26 meeting. It [redacted] also analysing Euro Disney's [redacted] plan [redacted] whether the [redacted] should demand changes in per[redacted] and strategy.

The 60 international [redacted] that hold Euro Disney's FFr20.3bn ($3.47bn) [redacted] are scheduled to [redacted] the [redacted] meeting. [redacted] include JP [redacted] Deutsche Bank, Crédit [redacted] Barclays, National [redacted] ster, Mitsubishi Trust and Bank [redacted] Tokyo.

[redacted] bank recently [redacted] FFr130m parcel of Euro Disney debt at 60 per cent of its original value on the "second hand" market. Three other creditors are considering offers to sell their loans, according to New York analysts, but are at present unwilling to sell for as little as 60 per cent.

Euro Disney and Walt Disney, its US parent company, have already outlined proposals for [redacted] banks to [redacted] the ailing [redacted] group's debt through [redacted] combination of a rights issue and debt-for-equity swap. Walt Disney has promised to provide financial support for Euro Disney until March 31, but will then withdraw if the banks have not agreed terms. Euro Disney would then go bankrupt.

Berisford to buy Magnet

By [redacted] Urry in [redacted]

Berisford International [redacted] buying Magnet, the kitchen cabinets and joinery manufacturer and distributor, for £56m ($84m) from eight banks.

Berisford, formerly a property and commodities group, nearly failed under £1.4bn of debt but has since sold assets, including British Sugar, and now has net cash. Magnet was the subject of a £629m management buy-out in 1989.

Lex, Page 20

Citicorp advance surprises market

By Richard Waters in New York

Citicorp surprised the stock market with fourth-quarter earnings ahead of expectations, even after one-off charges of $297m which included restructuring costs and a write-down in the value of its Quotron sub-[illegible].

Although the US's largest bank will not unveil full details of its 1993 figures until next Tuesday, it chose yesterday to pre-announce that net *income for the fourth quarter* would be "about $575m," or $1.06 a share, giving it record earnings for [illegible] as a whole of $2.2bn, or $4.11.

The news drove Citicorp's [illegible] price up $1½ [illegible].

The bank [illegible] no further break-down of [illegible] results, though it detailed several one-off items.

These included pre-tax charges [illegible] $425m to [illegible] restructuring and $179m to reflect a write-down in the value of Quotron, its information services business, part of which is being [illegible] Reuters.

These [illegible] partly off-[illegible] by gains [illegible] $107m [illegible] of Brazilian past-due inter-[illegible] bonds and $200m of deferred tax benefits.

[illegible] *the one-off items,* earnings [illegible] for the last quarter would have reached around $1.25, estimated Ms Diane Glossman, [illegible] senior analyst at Salomon Brothers.

Citicorp's earnings rebound in previous quarters had been fuelled by a rapid improvement in credit quality, which had reduced its bad-debt costs.

The latest jump led to expec-[illegible] that Citicorp would next [illegible] report a stronger [illegible] expected improvement [illegible] revenues, with retail banking in the US and around the [illegible] driving the growth.

Mr John [illegible] chairman, [illegible] the [illegible] were "broad-based, proving the value [illegible] Citicorp's unique global franchise". He said the bank was *continuing to invest in high-*growth businesses, particularly in the developing world, and that the restructuring charges would [illegible] themselves by 1995.

John Reed: said good results proved Citicorp's value

Hilton Hotels recovers with 22% increase

By Richard Tomkins

Hilton Hotels, the US lodging and gaming group, bounced back from [illegible] third-quarter profits decline to report a 22 per cent increase in net income to $32.3m for its fourth quarter yesterday.

The company attributed the [illegible] strength [illegible] gaming operations and improvement in its main hotel markets. It also benefited from [illegible] tax credit that caused its tax charge to fall by $1.9m to $11.1m.

Operating profits for the quarter rose by 5 per cent to $59m. Within the total, gaming profits rose from $35.2m to [illegible] while hotel profits were slightly down at $29.6m from $29.7m. But Hilton said the hotel division would have increased operating profits by 42 per cent had it not taken a $12.5m reserve for a loan to a managed property.

In [illegible] division, strong performances had come from properties in Reno and Laughlin, Nevada, [illegible] the Flamingo Hilton, [illegible] Vegas.

[illegible] income per share rose from [illegible] cents [illegible]. For the year [illegible] whole, net income [illegible] slightly [illegible] $102.7m from $103.9m before [illegible], or [illegible] a share against $2.17. [illegible] accounting changes, net income was [illegible] or $2.21.

Investment banking division helps lift Bear Stearns 110%

By Patrick Harverson in New York

Bear Stearns, [illegible] York securities house, yesterday announced [illegible] jump [illegible] second [illegible] quarter profits [illegible] $134.8m, [illegible].

Revenues during [illegible] period totalled $752.1m, [illegible] sharply from [illegible] a year earlier.

The record performance from [illegible] Stearns, which [illegible] house [illegible] report [illegible] profits [illegible] quarter, suggests [illegible] long [illegible] in earnings on Wall [illegible] far from over, in spite of [illegible] upturn [illegible] rates.

[illegible] 1990, declining [illegible] rates, strong demand [illegible] for [illegible] bonds, [illegible] heavy activity in corporate underwriting and [illegible] banking [illegible] advisory [illegible] have kept [illegible] industry profits [illegible] steady upward path.

[illegible] yesterday [illegible] record-breaking second quarter [illegible] reflection of strength in all [illegible] business lines.

Investment banking [illegible] posted the biggest growth, jumping [illegible] a year [illegible] $176.9m [illegible] more companies sought [illegible] underwriting [illegible] acquisitions advisory services.

Revenues from principal transactions, which climbed 58 per [illegible] $363.4m, remained [illegible] prime [illegible] of income, as would be expected [illegible] a firm [illegible] long reputation [illegible] an aggressive trading house.

Earnings from brokerage, clearing [illegible] private [illegible] services [illegible], while interest [illegible] dividends brought in [illegible].

The firm's [illegible] increased by 51 [illegible] cent [illegible] $520.2m, primarily because of [illegible] big jump in employee compensation [illegible] benefits, [illegible] business performance.

Investors responded positively [illegible] Stearns' earnings report, pushing up the [illegible] price by [illegible] on the [illegible] York [illegible] Exchange.

SHL seeks C$50m fresh equity

By Robert Gibbens in Montreal

SHL Systemhouse, [illegible] fast-expanding international computer [illegible] group, says it is improving profitability and [illegible] at [illegible] (US$38m) in [illegible] equity.

Net profit [illegible] C$4.7m, or [illegible] a share, for the first quarter ended November 30, up [illegible], [illegible] 1 cent, [illegible] year [illegible].

Operating [illegible] 54 per cent [illegible] C$135m, with strong growth continuing in outsourcing busi-[illegible]. The order backlog [illegible] C$1.5bn [illegible] November 30.

SHL [illegible] in north America, Europe and Asia, and recently acquired [illegible] minority stake in a Korean outsourcing firm.

[illegible], [illegible] is carrying heavy long-term debt, reported [illegible] restructuring charges for [illegible] ended August 31 [illegible] shuffled senior management.

A large [illegible] shareholder and Canadian institutions have criticised SHL's proposed executive [illegible] option plan, the issue [illegible] new preferred [illegible] and [illegible] US$20m loan [illegible] SHL com-[illegible]. [illegible] that [illegible] would [illegible] in [illegible] dilution for [illegible] and that management was already well paid.

Paramount board backs $9.7bn bid from QVC

By Martin Dickson [illegible] York

The board of Paramount Communications has recommended that shareholders reject a controversial $9.2bn offer for the entertainment company made last Friday by cable company Viacom and accept [illegible] rival $9.7bn offer [illegible] QVC Network.

The decision, announced on Wednesday night, [illegible] not [illegible]tle the five-month takeover battle, [illegible] may accept either bid [illegible] Viacom could still make a higher offer by February 1, the [illegible] set [illegible] final [illegible].

However, the [illegible] re-endorsement [illegible] QVC's [illegible] maintains [illegible] psychological advantage the [illegible] home shopping business [illegible] enjoyed.

That was when the Paramount [illegible] which [illegible] supported a friendly merger with cable company Viacom, [illegible] under pressure from the [illegible] QVC's offer [illegible] shareholders [illegible] value.

After Wednesday's board meeting, Mr Martin Davis, Paramount's chairman, did [illegible] claims by QVC [illegible] Viacom's new offer violated [illegible] bidding rules.

However, he [illegible] future bids would continue [illegible] be "rigorously [illegible] with regard [illegible] their compliance with the bidding procedures."

Last Friday night, shortly [illegible] QVC's tender offer [illegible] due [illegible] close, Viacom announced [illegible] new bid which increased from [illegible] a [illegible] $105 [illegible] the [illegible] it is offering for 50.1 per [illegible] Paramount's stock, but sharply [illegible] value of the [illegible] it [illegible] offering [illegible] a "[illegible] merger" for [illegible] remaining [illegible] per cent.

Simultaneously, it announced an $8.4bn merger agreement with video rental [illegible] Blockbuster [illegible]ment, which is providing $1.25bn [illegible] finance [illegible] cash offer.

The new Viacom bid [illegible] $13 [illegible] share more cash than QVC, but the total value of [illegible] offer is some $5 [illegible] less than the [illegible] bid.

Final quarter puts seal on strong year at JP Morgan

[illegible] Richard [illegible]

J. P. Morgan confounded Wall Street sceptics with record trading income during the final quarter [illegible], setting the seal on a strong [illegible] for the US bank.

[illegible] from trading in financial markets reached [illegible] compared with [illegible] previous record of $520m in the second quarter of last year, as [illegible] profited from trading in the emerging country debt [illegible].

Many [illegible] projected that [illegible] previous record, [illegible] during a time of instability in European currency [illegible] interest rate markets, [illegible] be hard [illegible] match.

The trading performance helped push net income in [illegible] months of [illegible] year [illegible], [illegible] $1.92 [illegible] share, and for the year as a whole to $1.72bn, [illegible] $8.48.

Both figures were at the high end of analysts' expectations.

Morgan reported post-tax profits of $221m, [illegible] $1.10 [illegible] share, [illegible] the comparable 1992 quarter, and $1.13bn, or [illegible] for whole [illegible].

Two factors held net income [illegible] period below the third-quarter level in [illegible] when it had reached $468m, or [illegible].

The [illegible] took [illegible] $120m pre-tax charge [illegible] property and relocation [illegible]. Also, revenue described by the bank broadly as "other non-interest income" [illegible] $129m lower due [illegible] the [illegible] given to the previous period from a big investment gain.

Sir Dennis Weatherstone, chairman, singled out risk management and emerging markets as [illegible] businesses which had [illegible] "notable increases" in demand.

For the year as a whole, trading [illegible] reached $2.01bn, [illegible] from $959m the [illegible] before, when Morgan took [illegible] from trading mortgage-backed securities.

Corporate finance revenue rose [illegible] from $439m, credit-related [illegible] to [illegible] from $214m, investment management [illegible] to [illegible] from $377m, operational service fees to $491m [illegible] and other non-interest revenues to $406m from $164m. By contrast, net gains [illegible] investment securi-[illegible] fell [illegible] from $388m.

[illegible] interest [illegible] to $1.77bn, and it took no provisions for credit [illegible] during the year, compared with [illegible] charge in 1992.

Quaker Oats warns of sharp fall

By [illegible] Tomkins in [illegible]

[illegible] Quaker Oats, the Chicago-based cereal, pet food and sports drinks company, [illegible] in early trading yesterday [illegible] company [illegible] it [illegible] report a slump [illegible] second-quarter [illegible]ings [illegible] week.

It [illegible] net [illegible] per share [illegible] be [illegible] per [illegible] below [illegible] previous year's 77 cents a [illegible] because of weak-[illegible] in [illegible] European [illegible], the impact of financing [illegible] in Brazil, and lower gains [illegible] hedging against shifts in Euro-[illegible] currency exchange rates.

Quaker [illegible] it [illegible] con-[illegible] its full-year target of a 7 per cent increase in real earnings [illegible] attainable because [illegible] growth in [illegible] businesses and productivity improvements worldwide.

Last October Quaker Oats surprised the market with [illegible] stronger-than-expected performance for its first quarter, ending in September.

It turned in net [illegible] of $91.4m, compared with a loss of [illegible] a year earlier.

Much of [illegible] growth [illegible] attributed [illegible] strong sales of Gatorade, the sports drink that [illegible] Quaker's biggest-selling product, and to better sales of cereals [illegible] grain-based snacks in [illegible] US.

Hasbro expects record quarter but closes plant

By Richard Tomkins

Hasbro, [illegible] biggest [illegible] toy maker, expects [illegible] report record fourth-quarter [illegible] earnings [illegible] month.

It also announced that it planned [illegible] close its manufacturing plant in Ter Apel, in the [illegible] this year with [illegible] 162 jobs.

The Netherlands plant, which specialises in making games and puzzles, is [illegible] three Hasbro plants in Europe.

The [illegible] – in Waterford, Ireland, [illegible] Valencia, Spain – are larger, [illegible] make toys as well [illegible] and puzzles.

[illegible] it had decided, after [illegible] analysis of [illegible] Euro-[illegible] manufacturing capacity, [illegible] needs could be [illegible] efficiently [illegible] by closing [illegible] Netherlands plant and transferring production [illegible] the larger [illegible].

[illegible] plant [illegible] will result in a [illegible] charge to pre-tax profits in the [illegible] quar-[illegible].

[illegible] after-tax earnings [illegible] non-recurring charges [illegible] been [illegible] than 15 per cent higher in the quarter than [illegible] earlier.

LA Gear [illegible] return to the red

[illegible] Tomkins

L. A. Gear, the US sports shoe maker which last quarter reported [illegible] first profit in three [illegible] yesterday [illegible] expec-[illegible] return [illegible] red in [illegible] fourth quarter with after-tax losses of $14m [illegible] $16m on [illegible]tinuing operations.

The company said strong sales of children's [illegible] had helped [illegible] to [illegible] $39.2m and $41.2m for the [illegible] November.

But [illegible] that the industry [illegible] suffering from high inventory [illegible] which [illegible] probably [illegible] gross margins.

Production setbacks hit Randgold mines

By Matthew Curtin in Johannesburg

[redacted] drop in tonnage milled and declining grades underlined the marginality of the four gold producers in [redacted] Randgold and Exploration stable in the quarter ended in December. [redacted] mines incurred a [redacted] bined after-tax [redacted] of R17.29m ($5.1m) against a R6.18m [redacted] tax profit last time.

Only the group's Harmony Gold Mining Company [redacted] in the black. However, [redacted] a fall in gold output coupled with higher [redacted] and a slightly lower gold price [redacted] after-tax profit to R8.97m from R16.94m.

Randgold's mines remained hamstrung by lack of flexibility in working practices, and in long-standing forward sales contracts which have locked the operations into gold prices often significantly below spot.

The mines received [redacted] gold price of R37,366 a kg, [redacted] from [redacted] in [redacted] September quarter, [redacted] well below the current rand gold price of close [redacted] R42,200 a kg.

[redacted] John Turner, chief executive, said: "Overall results are disappointing." [redacted] said the sensitivity of the mines to small changes in underground production, gold output or working [redacted] was often forgotten "in the euphoria of higher gold prices".

The overall amount of [redacted] milled fell [redacted] from [redacted] tonnes, [redacted] gold output sliding to 8,941kg from 9,662kg. Average working [redacted] jumped [redacted] R42,425 a kg against [redacted] a kg.

The main culprit was [redacted] Rand Proprietary Mines (ERPM), which was slow to benefit from a [redacted] a continuous work schedule. Mr Turner, however, [redacted] improvements [redacted] expected.

[redacted] would return [redacted] profitability [redacted] the year as working costs were controlled, and as it reaped the benefits of the December R550m rights issue which [redacted] crippling debts [redacted] more than R520m. The mine showed an increased after-tax loss of R16.87m, compared with R9.39m, and failed to make a working profit.

Durban Roodepoort Deep suf[redacted] a [redacted] in output and productivity due [redacted] a lingering 10 per [redacted] rate [redacted] its 4,400 workforce. This followed violent clashes [redacted] mine-workers in mid-1993. Its after-tax loss doubled to R6.83m from R3.88m.

Mr Turner said a study of the mine's viability would [redacted] completed in the current quarter. Closure of underground operations remained "one of the alternatives".

Blyvooruitzicht Gold Mining turned [redacted] after-tax profit of R2.42m into a loss [redacted] R2.56m. Underground grade slipped to 6.2 grams from 6.7 grams a ton. The company is battling to keep its head above water until benefits of a tribute mining agreement with Anglo American's neighbouring Western Deep Levels mine are felt in mid-year.

A tale of debt and survival on the high seas

Bernard Simon describes how the Atlantic fishery crisis affected two Canadian groups

T[redacted] a tale of [redacted] companies which, six years [redacted] were difficult [redacted] tell apart. However, an unexpected [redacted] has driven them in almost diametrically opposite directions, [redacted] point where they [redacted] have little in [redacted] mon. One [redacted] brimming with confidence, [redacted] other [redacted] mercy of shareholders [redacted] creditors.

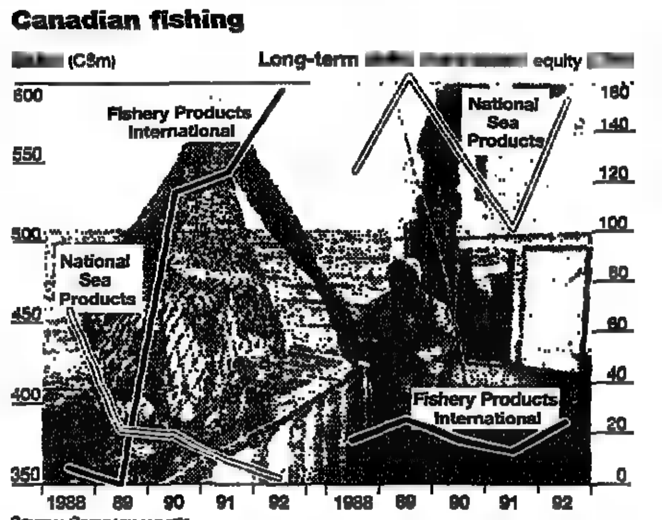
[redacted] neighbouring Canadian provinces [redacted] Nova Scotia and Newfoundland, National [redacted] Products (Natsea) and Fishery Products International (FPI) [redacted] rooted in [redacted] rich fishing grounds [redacted]

[redacted] the product of a sweeping rationalisation of [redacted] fragmented [redacted] fishery in the early [redacted] Their operations [redacted] of a similar size, with [redacted] big enough [redacted] towards the top [redacted] the international fishing industry. Both [redacted] vertically integrated, with operations stretching from impressive trawler fleets [redacted] fish-processing plants along [redacted] of [redacted] US and Canada.

There [redacted] however, [redacted] big difference between the two companies: [redacted]

[redacted] origins [redacted] succession of private-sector takeovers and mergers. The cornerstone of [redacted] uring was a large [redacted] pre[redacted] creditors. [redacted] when its fishing [redacted] booming in [redacted] mid-80s, [redacted] was [redacted] over [redacted] common equity.

Canadian fishing



Source: Company reports

FPI [redacted] benefit of being taken under [redacted] wing of the Canadian and Newfoundland governments in [redacted] early [redacted] A privatisation deal, including a C$177m (US$136.2m) public equity issue, [redacted] completed just a few months [redacted] the [redacted] stock market crash. Its [redacted] as a percentage of capital [redacted] of that year was [redacted] 7.6 per cent.

"We've always [redacted] that fish and [redacted] don't mix," says Mr Victor Young, FPI's chief executive. "We've [redacted] with our [redacted] sheet."

[redacted] companies' uneven debt [redacted] have led [redacted] sharply different [redacted] to [redacted] virtual disappearance in [redacted] of the fish [redacted] which they depended. For FPI, the crisis [redacted] created [redacted] opportunity [redacted] diversify. Debt-burdened Nat[redacted] had little choice [redacted] to pull in [redacted] horns.

The [redacted] depletion of cod and other [redacted] stocks in [redacted] north-west Atlantic has yet [redacted] be fully explained. Scientists have blamed, among other things, changes in water temperature and over-fishing by Canadians and Europeans.

In a [redacted] to revive the fishery, [redacted] authorities in Ottawa have slashed groundfish quotas by 75 [redacted] over the past five [redacted] including a [redacted] of northern cod off [redacted]

The impact on the local industry [redacted] devastating. About 35,000 fishermen and plant workers [redacted] unemployed. Mr Young estimates [redacted] FPI [redacted] lost [redacted] per cent of its north Atlantic fish [redacted] Natsea's active fishing fleet, [redacted] 50-strong, [redacted] been reduced to four vessels, and even they can put to sea for only a few months each year.

[redacted] thanks [redacted] strong bal[redacted] sheet, FPI has been able to engineer a transformation [redacted] a north Atlantic fishing company [redacted] international seafood conglomerate.

It [redacted] increasingly turned to trading, processing and food-service operations. FPI bought [redacted] 2 per cent of its [redacted] material from other parts of the world in the late 1980s; its plants [redacted] rely [redacted] cod, pollock and flatfish from [redacted] far afield as Russia, Alaska and Scandinavia for 87 per [redacted] of supplies.

Its customers include British Airways, Scandinavian Airlines and Migros, Switzerland's leading food retailer.

Revenues have jumped by [redacted] than two thirds since 1988, to about C$600m last year. It has made two large acquisitions and is hunting for more. One acquisition has given the company a toehold in the shrimp business, [redacted] the point where shrimp – [redacted] of [redacted] bought in [redacted] Asia and sold [redacted] US – now makes up [redacted] a [redacted] of [redacted] business.

Natsea's story is a [redacted] happy one. Its [redacted] year were about [redacted] per cent below those [redacted] 1988. As part of efforts to repair the balance sheet, it has sold its extensive international operations, which stretched from Portugal to Australia. [redacted] remaining businesses [redacted] centred on the North American retail market, where its brands remain well-entrenched.

By shrinking, Natsea hopes to rebuild its business from a solid base. "Our approach [redacted] been [redacted] focus [redacted] our strengths," says Mr Henry Demone, Natsea's president.

FPI's expansion has also given it extra flexibility [redacted] with remaining problems at home. One processing plant has been switched [redacted] cod [redacted] turning out high-margin shrimp products. The company is negotiating to contribute some idle trawlers to an international fishing venture, which will help [redacted] its [redacted] material supplies.

Natsea's gaze, however, remains fixed mostly on its balance sheet. A considerable write-down will soon be required to take account of the diminished value of [redacted] than a dozen idle vessels and six vacant processing plants.

Mr Demone's consolation is that, having lost 95 per [redacted] of its Atlantic fishing quota, Natsea's plight "obviously can't get much worse". [redacted] confident the remaining businesses will be able to support present debt of between C$80m and C$90m. However, repairing the balance sheet is likely to require several more years of patience from shareholders and bankers.

Australian deal creates top plumber supply group

By Nikki Tait in [redacted]

Burns Philps, the [redacted] Australian food and trading [redacted] is selling its Tradelink plumbing supplies business to G. E. Crane. The move will turn the Sydney-based Crane into Australia's largest plumbing supplies distributor.

The [redacted] is expected to [redacted] between [redacted] and A$75m (US$34.5m to US$51.7m) for Burns Philps, and comes [redacted] part [redacted] the group's strategy of divesting "non-core" [redacted]

The [redacted] payment is likely [redacted] be made at the end [redacted] January and will total around A$44.5m, according [redacted] A [redacted] deferred payment [redacted] in September [redacted] will [redacted] based on the future performance [redacted] Tradelink and Crane's existing plumbing [redacted] plies business, [redacted] Crane.

To fund the initial payment, Crane announced a two-for-five rights issue, involving 7.24m new shares, [redacted] a price of A$6.20 a share. This should [redacted] A$44.9m.

Crane [redacted] yesterday the acquisition would roughly double the [redacted] plumbing supplies operation, adding [redacted] Australia.

[redacted] in the year [redacted] end-June [redacted] A$187.6m, and profits before interest and [redacted] were A$4.6m. "Unaudited management accounts [redacted] five months ending November [redacted] show that Tradelink's earnings before interest [redacted] exceeded the previous corresponding period by approximately 130 per cent," [redacted] buyer [redacted]

Burns, meanwhile, [redacted] would use [redacted] money [redacted] from the sale [redacted] expand its hardware division's [redacted] warehouse-style "superstores".

The group currently has four superstores in operation, with three more being built. "Funds realised from [redacted] sale of Tradelink will ensure [redacted] hardware division [redacted] self-finance its expansion, thereby [redacted] diverting [redacted] from food expansion," the company said.

Sanyo Securities resists creditors' restructure plan

Emiko Terazono in Tokyo

Sanyo Securities, a second-tier Japanese securities firm, is seeking an alternative [redacted] a restructuring plan recommended by [redacted] three main creditor [redacted] and Nomura [redacted] ties, a leading shareholder, without losing their support. The banks are Bank of Tokyo, Daiwa [redacted] and Nippon Credit Bank.

The four institutions sent officials into Sanyo to help with a comprehensive restructuring plan [redacted] August. How[redacted] brokerage house has resisted strong recommenda[redacted] by [redacted] to imple[redacted] drastic rationalisation, and has not been able to win approval from its creditors.

Sanyo – like other members of the industry – is [redacted] victim [redacted] the three-year [redacted] market slump after the large capital investments of the late-1980s [redacted] "bubble". It built a large trading [redacted] in a [redacted] house-like building, investing heavily in computers and [redacted] electronic equipment.

Another source of [redacted] problems is Sanyo [redacted] Capital, a non-bank financial affiliate burdened by mounting bad loans. Sanyo [redacted] is reported [redacted] have [redacted] Y145bn ($1.3bn) in real estate-linked deals, [redacted] which some Y50bn have [redacted] sour.

According to the Nihon Keizai [redacted] a daily [redacted] newspaper, the three banks have extended some Y150bn in loans to Sanyo [redacted] and [redacted] also supplying the cash [redacted] its daily operations.

"The company is virtually brain-dead," [redacted] Mr David Threadgold, financial [redacted] at Barclays [redacted] in Tokyo. He expects the three creditors eventually [redacted] bail out Sanyo and [redacted] affiliates by agreeing to cut [redacted] on the loans.

Sanyo Securities [redacted] a pre-tax [redacted] of Y5.7bn for the year [redacted] March [redacted] analysts predict the [redacted] ure will could be larger due [redacted] financial problems stemming from Sanyo Sogo.

India admits further five foreign brokers

[redacted] in New [redacted]

Five foreign stockbroking [redacted] have been given permission [redacted] in Indian markets [redacted] foreign investors. The [redacted] is the latest in a series [redacted] open India's economy [redacted] the [redacted] the world.

The five approved by [redacted] securities and exchange board of India, the securities watchdog, will join four others who [redacted] permission late [redacted] year.

The latest batch [redacted] Jardine Fleming, the UK/Hong Kong-owned investment bank, Citicorp and Lehman Brothers of [redacted] US, Crosby [redacted] Hong Kong, [redacted] Baring Securities. The companies which won approval [redacted] are [redacted] Capel and [redacted] of the UK, [redacted] Lyonnais [redacted] an [redacted] Crédit Lyonnais, [redacted] French bank, [redacted] Partners [redacted] Kong.

The foreign [redacted] are [redacted] permitted to [redacted] on [redacted] of [redacted] investors; nor [redacted] they joining [redacted] Bombay [redacted] exchange, which [redacted] any foreign members.

[redacted] $900m in foreign port[redacted] investment has flowed [redacted] India since foreign [redacted] permitted [redacted] just [redacted] ago.

However, [redacted] investors approved by [redacted] board, only [redacted] 15 are active. The remainder [redacted] establishing and launching funds.

The [redacted] foreign investors are mostly using Indian bro[redacted] as [redacted] brokers [redacted] to [redacted] in Bombay.

Canada's $2bn FRN issue meets solid investor demand

By Conner Middelmann

Canada returned to the Eurobond market for the first time since 1987, tapping investor demand for US dollar floating-rate notes from a rare, top-rated issuer.

It launched a $2bn five-year issue of FRNs via CS First Boston, Goldman Sachs and UBS paying interest at three-month Libor minus 25 basis points, which ended the day bid at their 99.77 reoffer price.

According to one of the lead managers, the deal met with solid demand in Europe and the Far East. Although the pricing was slightly tighter than expected, the deal was oversubscribed and sold out in the course [illegible] day, a [illegible] official said.

"Canada has [illegible] certain cachet; [illegible] issue offers investors scope for diversification; and it provides a new, liquid benchmark," said Mr Len Harwood, head of syndication at UBS. Besides the usual range of institutional investors, central banks, which only hold sovereign bonds, and commercial banks, for which sovereign debt has a zero risk weighting under BIS rules, [illegible] reported to have been keen bidders.

According to an official [illegible] Canada's finance department, the issue was undertaken [illegible] diversify the sources of US dollar funding [illegible] Canada's foreign exchange reserves. The proceeds of the issue will be used to pay down a portion of a $5bn commercial paper facility in the US, called Canada Bills, he said. The [illegible] will not [illegible] overall [illegible] he said.

INTERNATIONAL BONDS

Goldman Sachs cashed in on [illegible] appetite for dollar FRNs by launching [illegible] of five-year [illegible] for [illegible] Paying a [illegible] three-month Libor plus [illegible] points, it [illegible] sold out quickly and [illegible] day trading [illegible] bid, [illegible] reoffer price, a syndicate official said.

[illegible] participants expect [illegible] see more dollar FRNs [illegible] coming [illegible] "[illegible] seeing more and [illegible] people putting funds into the [illegible] market – [illegible] a lot of tickets for the Canada deal," [illegible] one dealer. Many investors also seek exposure [illegible] the US currency, which they expect to appreciate as [illegible] edge higher.

Among fixed-rate dollar deals, the [illegible] holding [illegible] Investor, which owns Saab-Scania and holds [illegible] in several Swedish blue-chip companies, issued $200m [illegible] five-year bonds priced to yield 113 [illegible] points [illegible] the relevant benchmark. [illegible] lead manager [illegible] First [illegible].

Despite a rating [illegible] Baa2 from Moody's and single-A from Standard [illegible] Poor's, the paper met with strong demand from yield-hungry investors [illegible] ended [illegible] 99.60 bid, above [illegible] reoffer price, [illegible] the spread narrowed [illegible] 110 [illegible] points.

Elsewhere, Abbey National Treasury Services' £500m foray [illegible] the Eurosterling [illegible] by [illegible] in the gilt [illegible] shortly [illegible] The five-year bonds, [illegible] J.P. Morgan [illegible] Montagu, [illegible] priced to yield [illegible] basis points [illegible] gilt. The deal [illegible] bid, [illegible] 99.19 reoffer price, although [illegible] spread remained stable around 30 basis points.

[illegible] the [illegible] managers reported demand from the European continent, other traders said the deal would take some time [illegible] place given [illegible] sheer weight [illegible] recent supply in the sterling [illegible] However, as one observer pointed out, the [illegible] to switch out of the 6 per cent gilt of August [illegible] into [illegible] liquid Eurobond with the same maturity [illegible] 30-basis-point yield pick-up.

Another £100m [illegible] perpetual, [illegible] bonds for Barings, [illegible] at [illegible] spread [illegible] basis points over the 8¾ per cent Treasury due 2017, ended [illegible] bid, slightly above its 99.598 [illegible] price.

Two Eurolira issues, [illegible] ling L550bn, [illegible] by [illegible] congestion [illegible] L1,500bn of fresh supply this [illegible].

However, IMI [illegible] L300bn five-year [illegible] IMI Luxembourg benefited from [illegible] European [illegible] quest [illegible] high yields, offering a yield pick-up [illegible] basis points [illegible] the five-year swap rate. The IADB's L250bn 10-year bonds via J.P. Morgan [illegible] met with [illegible] European interest, but both issues are likely to take some time [illegible] be placed, officials said.

● Moody's has downgraded the Republic [illegible] Turkey's [illegible] speculative grade from investment grade. [illegible] the country's long-term credit rating to Ba1, from Baa3, citing the deterioration of Turkey's public finances [illegible] the expectation [illegible] high fiscal deficits will persist [illegible] coming years.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon [illegible]	Price	Maturity	Fees %	Spread bp	[illegible] runner
[illegible] DOLLARS							
Canada(a)‡	2bn	(a)	[illegible]	Feb.1999	[illegible]	-	CSFB /G.Sachs [illegible]
Investor	200	[illegible]	99.46R	[illegible]	[illegible]	+113(5¼%-98)	CS [illegible]
Goldman [illegible] Group(b)‡	200	(b)	[illegible]	[illegible]	[illegible]	-	Goldman [illegible] Intl.
Industrias Unidas	50	8.50#	99.93R	Jan.1999	1.00R	+350(5¼%-98)	Prudential Bach [illegible]
Gascart(c)	[illegible]	[illegible]	100.00R	[illegible]	1.25R	-	Oppenheimer Intl.
[illegible]	50	[illegible]	[illegible]	[illegible]	1.00R	+485(4¾%-98)	Sear [illegible] Intl.
D-MARKS							
Deutsche Ausgleichsbank‡	100	(d)	101.75	[illegible]	[illegible]	-	Trinkaus & [illegible]
[illegible] Bau-& Boden [illegible]	100	(e)	[illegible]	[illegible]	0.20	-	Trinkaus [illegible]
[illegible]							
New Zealand‡	10bn	(f)	[illegible]	Jan.2001	undisd.	-	Nikko [illegible]
STERLING							
[illegible] Natl.Treas.Services(g)	500	[illegible]	[illegible]	Aug.1999	[illegible]	+30 [illegible]	S.Montagu/ JP Morgan
Barings(g,h)	100	9.25	99.598R	[illegible]	0.75R	+255(8¾%-17)	Baring/ Hoare Govett
GUILDERS							
DNIB(i)	150	6.00	[illegible]	[illegible]	[illegible]	-	DNIB/ [illegible]
ITALIAN LIRE							
IMI [illegible] (Cayman)	300bn	8.00	[illegible]	[illegible]	0.325R	-	IMI Luxembourg
Inter-American Dev'ment Bank	[illegible]	[illegible]	[illegible]	[illegible]	2.00	-	[illegible] Morgan Milan
[illegible] FRANCS							
[illegible]	200	[illegible]	[illegible]	Oct.1999	-	-	Credit [illegible]

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ‡Floating [illegible] #Semi-annual [illegible] R: [illegible] price; fees are shown at the re-offer level. a) Coupon: 3-mth Libor -¼%. Callable on any int payment date from Feb.95 at par. b) Coupon: 3-mth Libor +⅜%. Callable on any int payment date from Feb.96 at par. c) Sinking fund: $10m on 20/1/96, 97 & 98 and $20m balance at maturity. Callable on 20/1/96 at 102%, 20/1/97 at 101¾% and 20/1/98 at 101½%. d) Coupon: [illegible] fxd annual for 1st 2 yrs, 6-mth Libor flat for next 4 yrs and [illegible] fxd annual thereafter. e) Coupon: 6-mth Libor +1/16%. f) Coupon: 6-mth Libor +1%. g) Short 1st coupon. h) Callable on 15/12/24 and every 15 yrs thereafter at par. i) Redemption proceeds: par + 20 x (6.14% - 5yr Fl swap offer rate). j) Fungible with outstanding SFr300m. Plus 124 days accrued.

Costa Rica returns after break of 13 years

By Stephen Fidler, [illegible] Editor

Costa Rica returns [illegible] the international bond market next [illegible] after an absence [illegible]

The state telephone and electricity monopoly ICE has scheduled [illegible] issue of $50m [illegible] three-year Eurobonds through Banco Santander. [illegible] carrying a semi-annual coupon, are to be issued at a spread of 385 [illegible] 410 basis points [illegible] US Treasury [illegible] rates. They have no explicit state guarantee.

ICE is the second central American issuer to tap the Eurobond market [illegible] Mexico [illegible] the return of Latin [illegible] can borrowers to the market [illegible] the 1980s debt crisis. [illegible] August, the Guatemalan [illegible] institute [illegible] brought a [illegible] 11 per cent issue with a four-year [illegible] life to market.

ICE – [illegible] at [illegible] end of September [illegible] $2.1bn – will [illegible] funds [illegible] refinance foreign currency [illegible] and for investment. Further borrowings by ICE [illegible] possible in [illegible] next 12 months. The other possible borrower – [illegible] government, which hands over power in May following [illegible] on February [illegible] – has no current plans [illegible] market.

The issue [illegible] expected [illegible] benefit [illegible] investor [illegible] for more [illegible] issues carrying generous [illegible] rates. Growth [illegible] been strong, and inflation fell [illegible] year [illegible] 10 [illegible] cent, but public foreign debt [illegible] high.

The Guatemalan government [illegible] begun preliminary discussions [illegible] a possible Eurobond borrowing in [illegible] own name this year.

Treasuries sell-off triggers sharp declines in European sector

By Tracy Corrigan and Sara Webb in London and Patrick Harverson in New York

[illegible] in the [illegible] triggered sharp [illegible] in European bond markets, sparking fears that a rise in US short-term rates could trigger a repatriation of funds invested in European bond markets.

Against this background, the best performers were the more peripheral Eur[illegible] markets, while French [illegible] bond prices fell about [illegible] point.

■ The Italian bond market rallied strongly yesterday morning, after Prime Minister Carlo Ciampi's offer [illegible] resign prompted hopes [illegible] a rapid move towards dissolving parliament and new elections. But as the news was discounted, prices were dragged down with other markets in the afternoon.

The 10-year BTP [illegible] Liffe fell back to 117.80, slightly [illegible] on [illegible] previous night's close, and substantially off its high yesterday of 118.62.

■ Danish [illegible] ¼ point, but continued [illegible] outperform the German bond market, bringing [illegible] yield spread against [illegible] down [illegible] lows, following [illegible] by Mr [illegible] Hoffmeyer, [illegible] Danish [illegible] below those in Germany.

The [illegible] these [illegible] in [illegible] and [illegible] traders [illegible] taking [illegible] sanguine view [illegible] possibility.

The spread [illegible] 10-year [illegible] and [illegible] has tightened [illegible] points at the [illegible] of last [illegible] basis points.

"In [illegible] coming months, talk of [illegible] potentially falling [illegible] Germany should see [illegible] rallying [illegible] 15 [illegible] point level," [illegible] Ms Phyllis Reed, European bond strategist [illegible] BZW.

■ UK government bonds also took their cue from the other overseas bond markets, [illegible] tumbled in the afternoon to close ¾ of a point lower on the day. The market kicked off on a firm note, climbing by as much as a ¼ of a point, but was pulled down by the fall in the US Treasury market.

GOVERNMENT BONDS

Five-year gilts ended about a quarter point lower while long-dated issues fell as much as [illegible] point and index-linked issues [illegible] over [illegible] point.

[illegible] expecting [illegible] England [illegible] the preliminary [illegible] the [illegible] gilt [illegible] today, with speculation focusing on a long-dated auction stock.

■ Japanese bond prices fell as much [illegible] ½ [illegible] point, [illegible] unusually heavy trading in [illegible] European day, as [illegible] became [illegible] about plans to sell Japanese government bonds outright [illegible] market. The [illegible] would be [illegible] the government's economic stimulus package.

The market seems [illegible] oversupply as [illegible] try [illegible] plans [illegible] Y1,000bn of 10-year bonds in [illegible] starting [illegible] January [illegible].

■ US Treasury prices fell [illegible] both [illegible] of [illegible] maturity range yesterday morning [illegible] lowing a stronger-than-expected monthly [illegible] report.

By midday, [illegible] 30-year bond [illegible] down ¾ [illegible] 100 5/32, yielding 6.23 per cent. The two-year [illegible] was also [illegible], down [illegible] 100 [illegible], [illegible] yield [illegible] per cent.

[illegible] in early trading in spite of [illegible] inflation report, which showed [illegible] consumer prices in December [illegible] by only 0.2 [illegible] cent, [illegible] by [illegible] per [illegible] excluding the volatile [illegible] and energy components. Overall, [illegible] prices rose by 2.7 per cent in [illegible], the smallest rise since [illegible].

[illegible] figures [illegible] in line with forecasts, and had [illegible] impact [illegible] sentiment, but [illegible] was [illegible] unexpectedly strong [illegible] per [illegible] gain in December [illegible] that sparked [illegible] selling. The [illegible] much [illegible] analysts [illegible] forecast, and raised fears that [illegible] retail [illegible] will [illegible] ally [illegible] push prices higher.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red [illegible]	[illegible]	Day's change	[illegible]	[illegible] ago	Month ago
Australia		[illegible]	[illegible]	[illegible]	-0.060	6.34	[illegible]	[illegible]
Belgium		9.000	03/03	116.6000	[illegible]	6.63	6.49	[illegible]
Canada *		7.500	12/03	107.7500	[illegible]	[illegible]	[illegible]	6.77
Denmark		7.000	12/04	108.4200	-0.230	5.93	6.13	6.21
France	BTAN	8.500	05/98	110.1100	-	[illegible]	6.03	[illegible]
	OAT	6.750	10/03	108.0100	-0.310	5.66	[illegible]	5.85
Germany		6.000	09/03	102.7200	[illegible]	[illegible]	5.61	5.73
Italy		9.000	10/03	102.7800	[illegible]	8.57†	[illegible]	8.72
Japan	No 119	4.500	06/99	111.3250	-0.490	2.44	2.36	2.47
	No 157	4.500	06/03	110.6150	[illegible]	[illegible]	3.06	3.15
Netherlands		5.750	01/04	101.1400	-0.300	5.60	[illegible]	[illegible]
Spain		10.500	10/03	116.8500	[illegible]	[illegible]	[illegible]	[illegible]
UK Gilts		8.750	01/98	113-28	[illegible]	5.61	5.75	5.62
		6.750	11/04	108-09	[illegible]	[illegible]	[illegible]	[illegible]
		9.000	10/08	122-08	-25/32	6.62	6.56	6.56
US Treasury *		5.750	08/03	100-23	[illegible]	4.37	[illegible]	5.75
		6.250	08/23	100-04	[illegible]	[illegible]	[illegible]	[illegible]
ECU (French Govt)		6.000	04/04	100.7700	-0.140	[illegible]	[illegible]	6.05

London closing, *New York mid-day. Yields: Local market standard. † Gross annual yield (inc[illegible] withholding [illegible] per cent [illegible] nonresidents) Prices: [illegible] UK in 32nds, others in [illegible] Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	131.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	150,132
Jun	130.88	[illegible]	[illegible]	[illegible]	130.56	981	[illegible]
[illegible]	[illegible]	129.70	[illegible]	[illegible]	129.80	11	756

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Feb	Calls Mar	Calls Jun	Puts Feb	Puts Mar	Puts Jun
128	-	3.16	-	-	0.39	-
129	-	2.25	-	0.02	0.65	-
130	-	1.37	-	0.08	1.01	1.80
131	0.37	0.71	1.08	0.31	1.44	-
132	0.07	0.29	0.70	-	-	-
133	-	0.09	0.42	-	-	-

Est. vol. total, Calls 58,736 Puts 73,008. Previous day's open int., Calls 243,030 Puts 295,819.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	100.74	[illegible]	[illegible]	100.68	187948	[illegible]
Jun	101.18	100.69	-0.42	101.15	100.60	114	2077

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
10050	0.66	1.10	0.42	0.81
10100	0.41	0.84	0.67	1.15
10150	0.24	0.64	1.00	1.45

Est. vol. total, Calls 14672 Puts 20098. Previous day's open int., Calls 181584 Puts 129866

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE) DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	-0.30	[illegible]	[illegible]	[illegible]	[illegible]

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
[illegible]	[illegible]	117.72	-0.27	[illegible]	117.60	68085	67255
Jun	118.30	117.77	[illegible]	118.50	118.30	134	601

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

[illegible] Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
11750	1.48	[illegible]	1.24	2.50
11800	1.20	2.53	1.49	2.76
11850	[illegible]	2.30	1.76	3.03

Est. vol. total, Calls 5680 Puts 2936. Previous day's open int., Calls 41443 Puts 41811

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	[illegible]	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	[illegible]	105.45	-0.13	[illegible]	105.22	58,177	[illegible]
Jun	[illegible]	105.60	[illegible]	105.90	105.60	[illegible]	[illegible]

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	[illegible]	[illegible]	[illegible]	[illegible]	Low	Est. vol	Open int.
[illegible]	[illegible]	118-09	-0-24	[illegible]	[illegible]	101385	108499
Jun	[illegible]	117-21	[illegible]	[illegible]	118-14	[illegible]	163

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
118	1-15	1-50	0-51	2-08
119	0-49	1-23	1-21	2-45
120	0-25	1-01	2-10	3-23

Est. vol. total, Calls 6990 Puts 16578. Previous day's open int., Calls 55548 Puts 52180

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
[illegible]	122.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jun	-	97.30	-	-	-	-	50

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	[illegible]	Latest	Change	[illegible]	[illegible]	Est. vol.	Open int.
Mar	117-05	116-18	-0-22	117-08	116-16	[illegible]	[illegible]
Jun	[illegible]	115-16	[illegible]	[illegible]	115-13	[illegible]	16,099
Sep	114-27	114-17	-0-10	115-00	114-15	625	20,329

Japan

■ NOTIONAL [illegible] TERM JAPANESE [illegible] BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	117.65	[illegible]	[illegible]	117.87	[illegible]	5132	0

* LIFFE contracts traded on APT. All Open Interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thu Jan 13	Day's [illegible] %	Wed Jan 12	Accrued [illegible]	xd adj. ytd		Low coupon yield Jan 13	Jan 12	Yr. ago	Medium coupon yield Jan 13	Jan 12	Yr. ago	High coupon yield Jan 13	Jan 12	Yr. ago
1 Up to 5 [illegible]	129.71	-0.08	129.81	2.24	[illegible]	5 [illegible]	5.77	5.70	7.03	6.00	5.93	[illegible]	[illegible]	6.04	7.71
2 5-15 years [illegible]	161.69	-0.49	162.69	2.56	0.10	15 yrs	6.48	[illegible]	8.35	6.59	6.53	8.79	6.60	6.73	9.07
3 Over 15 [illegible]	187.89	-0.49	188.82	2.33	[illegible]	20 [illegible]	6.58	6.52	8.62	6.63	6.57	9.00	6.81	6.75	9.15
4 [illegible] (6)	224.61	-0.51	225.76	1.75	0.00	Irred.†	6.59	[illegible]	[illegible]						
5 All stocks [illegible]	156.63	-0.38	157.20	2.43	[illegible]										

Index-linked	Thu Jan 13	Day's %	Wed Jan 12	Accrued	xd adj. ytd		Inflation 5% Jan 13	Jan 12	Yr. ago	[illegible] 10% Jan 13	Jan 12	Yr. ago
[illegible] Up [illegible] 5 [illegible]	191.49	+0.01	191.48	[illegible]	[illegible]	Up to [illegible] yrs	2.15	2.17	2.77	[illegible]	1.37	2.00
[illegible] Over 5 years (11)	189.93	-0.62	[illegible]	0.62	0.30	Over 5 yrs	3.01	2.97	3.89	2.85	2.80	3.72
[illegible] stocks (13)	189.16	-0.56	190.22	0.70	[illegible]							

Debentures and Loans	Thu Jan 13	Day's %	Wed Jan 12	Accrued	xd adj. ytd	5 year yield Jan 13	Jan 12	Yr. ago	15 year yield Jan 13	Jan 12	Yr. ago	25 year yield Jan 13	Jan 12	Yr. ago
9 [illegible] & Loans (65)	151.12	-0.40	151.73	2.58	[illegible]	[illegible]	[illegible]	8.90	7.62	7.57	[illegible]	7.74	[illegible]	10.04

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: [illegible] and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jan [illegible]	Jan [illegible]	Jan [illegible]	Jan 10	Jan 7	Yr ago	High*	Low*
Govt. [illegible] (UK)	[illegible]	[illegible]	108.32	108.57	106.65	93.49	[illegible]	[illegible]
Fixed Interest	131.91	132.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 132.24 (10/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. [illegible] activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Jan [illegible]	Jan 11	Jan [illegible]	Jan 7	Jan 6
Gilt Edged [illegible]	105.0	165.3	128.3	88.9	90.5
[illegible]	115.2	109.1	90.7	72.0	[illegible]

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:55 pm on January 13

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	101⅝	102	-⅛	[illegible]
AlbertaProvince 9⅞ 95	600	108⅜	108⅝	-⅛	[illegible]
Austria 8½ 00	400	114⅝	114⅞	-⅛	[illegible]
United Kingdom 7¼ 97	5500	[illegible]	[illegible]	-⅛	[illegible]
Volkswagen Intl Fin 7 03	1000	103⅞	104¼	-⅛	[illegible]
World Bank 0 15	2000	29½	[illegible]	+⅛	[illegible]
World Bank 5¾ 98	300	[illegible]	[illegible]		[illegible]
Alliance Leics 11⅞ 97 £	100	115⅜	115⅝		[illegible]
British Gas 12¾ 95 £	300	107⅜	[illegible]	-⅛	6.52
British Land 8⅞ [illegible]	150	[illegible]	[illegible]		8.52
EIB 10 97 £	637	111½	112		6.78

[illegible]

FLOATING RATE NOTES

[illegible]

CONVERTIBLE BONDS

[illegible]

[illegible] BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate ([illegible] three-month [illegible] above mean rate) for US dollars. C.cpn=The current coupon. CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK GILTS PRICES

[illegible]

Other Fixed Interest

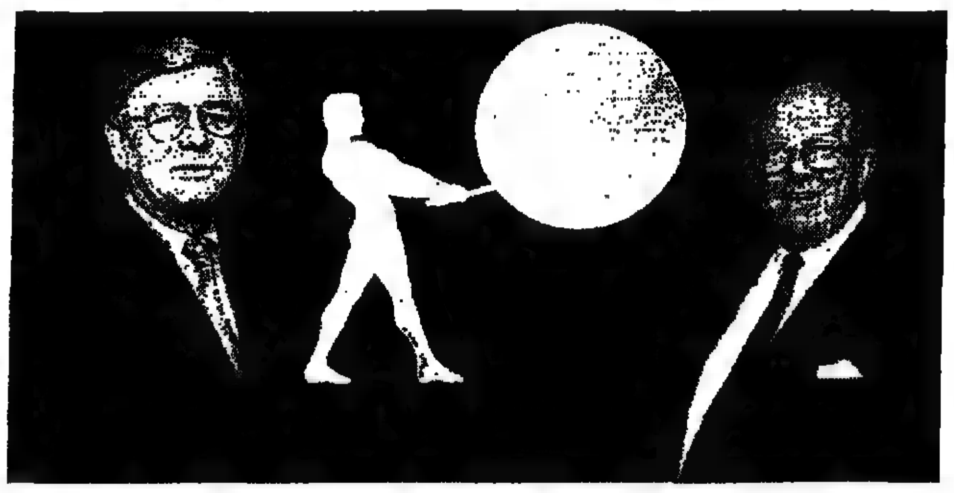
[illegible]

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

Upturn attributed to cost-cutting and improved cash management

Rank at £277m in weak market

By Michael Skapinker, Leisure Industries Correspondent



Trevor Humphries

Michael Gifford (left) and Sir Leslie Fletcher, chairman: signs that consumer spending is picking up

The Rank Organisation yesterday announced annual pre-tax profits [illegible] £276.6m, [illegible] with a restated £125.8m, but [illegible] there had [illegible] little improvement in [illegible] conditions.

Mr Michael Gifford, [illegible] executive, [illegible] the upturn was the result [illegible] cost-cutting and improved [illegible] management.

The UK [illegible] US markets had [illegible] in [illegible] and conditions in Japan and [illegible] continental European countries had [illegible].

There [illegible] signs, however, that [illegible] spending [illegible] picking up in the UK and [illegible] US.

The year to October 31 saw sales rise [illegible] per cent to £2.11bn (£2.01bn). Operating profit increased by [illegible] £200.4m (£176.6m).

The [illegible] £10.01p.

All of Rank's main [illegible] operating profits. Film [illegible] input [illegible] Mr Gifford [illegible] was largely [illegible] of improved profitability in film processing.

[illegible] to Odeon [illegible] rose [illegible] per cent, largely because [illegible] film [illegible] Park. Rank [illegible] admission prices, however, [illegible] of strong competition.

Operating profit from holidays [illegible] (£42.5m).

Holiday [illegible] by [illegible] per cent, although [illegible] of [illegible] improvement came [illegible] period [illegible] prices [illegible] lower. Profits [illegible] lin's holiday [illegible] but [illegible] Shearings [illegible] holiday [illegible] a small [illegible].

Mr Gifford [illegible] that holiday [illegible] the [illegible] half [illegible] up [illegible] per cent. Bookings [illegible] half, [illegible] season, had increased [illegible] per [illegible].

The recreation businesses, which [illegible] bingo, [illegible] and [illegible] clubs, reported operating profits [illegible] (£57.3m). [illegible] similar [illegible] 1992, but spending per [illegible] in social [illegible] bingo clubs [illegible] by [illegible] cent. Spending in [illegible] 4 [illegible] cent on unchanged admissions.

The [illegible] division, which [illegible] Hard [illegible] and nightclubs, lifted profits [illegible] contributed £10m.

UK nightclubs increased admissions by [illegible] cent, but spending per head [illegible]. Mr [illegible] many [illegible] the new [illegible] were [illegible] ing [illegible] nightclubs during [illegible] week, when spending was usually [illegible].

[illegible] share [illegible] the pre-tax profits [illegible] Rank [illegible] £151.2m (£137.3m). The contribution from other associates, primarily Universal Studios in Florida, rose by more than 50 per [illegible] £11.5m.

Earnings per [illegible] (6.1p). [illegible] final dividend [illegible] last July [illegible] was paying [illegible] the [illegible] 31p, the [illegible] as [illegible].

[illegible] A Kershaw, [illegible] main [illegible] its shareholding [illegible] Industries, [illegible] after all charges of £10.1m (£9.9m). [illegible] on ordinary [illegible] tax [illegible] (£9.7m). The [illegible] dividend of 18p [illegible] 27p, from earnings [illegible] (27.9p).

[illegible] Lex

Price erosion leaves Microgen at £6.7m

By Catherine Milton

Microgen Holdings, the specialist computer [illegible] group, yesterday reported pre-tax profits down from £8.24m to £6.7m for the year to October 31 despite an 8 per cent rise in turnover to £53.4m.

The shares fell 3p to 145p yesterday although the company warned of the downturn when it reported interim results in July, then causing a 12p drop in the [illegible] price to 173p.

Mr Douglas Lee, chairman, said: "We have suffered price erosion particularly in our UK computer output microfilm business."

However, he was confident about the current year and to back this up the board is holding the final dividend at 5.05p to give [illegible] same-again total of 7.25p.

Earnings per share were 10.5p (13.8p).

"[illegible] of [illegible] nature of the business, although our dividend [illegible] only 1.4 (1.9) times, we feel it is appropriate to [illegible] dividend."

[illegible] said the present [illegible] would see [illegible] full contribution [illegible] the company's Norwe[illegible] operations.

Also, operating profits of £6.51m (£8.28m) [illegible] a [illegible] in [illegible] company's Danish operations which was not expected to be repeated, as well as [illegible] £500,000 loss due to [illegible] one-off [illegible] of starting the Demand Publishing division of its electronic publishing business.

The company said that the acquisition [illegible] the [illegible] output business of JDC was of strategic benefit.

"The important thing is the revenue that Microgen derives from electronic publishing has grown quite strongly and is now 34 per cent of total turnover.

"The area where [illegible] is growing [illegible] strongly is becoming an ever bigger part of our business."

The company started its last financial [illegible] with [illegible] of £2.5m and ended [illegible] although it spent £5m as part [illegible] its programme of capital expenditure and £1.5m on goodwill associated with acquisitions in Norway and Germany.

Microgen booked a [illegible] interest [illegible] (charge [illegible]).

Absence of exceptionals leaves Cray Elect lower

By Paul Taylor

An underlying 10 per [illegible] increase in turnover and improved trading margins helped Cray Electronics Holdings, [illegible] data-communications [illegible] software systems group, double interim [illegible] prof[illegible] from continuing operations to [illegible], against £4.79m.

However, pre-tax profits in the [illegible] months [illegible] 31 fell [illegible] £7.8m, [illegible] £1.12m in reorganisation [illegible] compared with £17.8m, swollen by [illegible] £13m exceptional gain on the [illegible] of [illegible] Instruments.

Earnings per share from continuing operations increased to 3.1p (2.04p), but fell [illegible] FRS [illegible] basis [illegible] (10.33p). [illegible] dividend [illegible] (0.5p).

The figures were in line with expectations, but the market focused on the headline pre-tax figure and [illegible] 6½p to close at 164½p.

Turnover, including a £5.22m [illegible] from P-E International acquired [illegible] September and [illegible] (£11.7m) from [illegible] activities, increased to £114.3m (£81.9m).

The figure was boosted by higher overseas sales, particularly in the US and Asia Pacific regions, and by a full contribution from the Dowty IT businesses which were acquired in August 1992.

P-E contributed £32,000 to operating profits while the discontinued Shrewsbury Technology operations incurred a £780,000 loss. Last year discontinued operations [illegible] profit.

Mr [illegible] Holland, [illegible] "We [illegible] improved revenue, profit [illegible] operating margin in our principal [illegible]. The growth we have experi[illegible] the UK [illegible] particularly pleasing."

The advance in operating profits and the overall trading margins, which increased from 6.8 per cent to 8.8 per cent, was [illegible] by Cray Communications which accounted for almost 70 per cent of turnover.

The division lifted operating profits to [illegible] (£3.1m) [illegible] margins improved from 7.3 per cent to [illegible] per cent. It was helped by the [illegible] demand for integrated local and [illegible] networking systems, [illegible] introduction of new products.

Cray Systems, which now includes P-E International's computer [illegible] operations, reported operating profits [illegible] £1.2m [illegible] Cray Technology slipped from [illegible].

COMMENT

Cray's management [illegible] for the detail [illegible] figures which [illegible] illuminating [illegible] of [illegible] in [illegible] value adjustments following [illegible] P-E acquisition which [illegible] already helped [illegible] systems [illegible]. The [illegible] division has [illegible] strong product portfolio in [illegible] dynamic growth sector and [illegible] aiming [illegible] lift margins [illegible] 20 per [illegible] over the next few years. A traditionally stronger second half should lift full year pre-tax profits to £26m for earnings of about 8.8p. The shares are trading on a prospective p/e [illegible] 18.7.

Retailers display renewed evidence of strong Christmas

By Neil Buckley

Evidence continued to build yesterday of a strong performance by retailers over Christmas, [illegible] retail [illegible] reported sales [illegible] between 4 and 7 per cent.

Sears, the [illegible] which includes Wallis, Richards, Olympus, and Adams and several high street shoe chains, said like-for-like sales – which exclude store openings and closures – were up 7 per cent in the six weeks to January 8.

Sales were particularly strong [illegible] Selfridges department store, but were down in childrens' wear in spite of strong trading in Christmas week.

The Body Shop said like-for-like sales for the nine weeks to Christmas were up 4 per cent, while total sales were up 6 per cent.

International sales grew 14 per cent, with Asia up 22 per cent, Europe up 20 per cent, and Canada and Australia together up 7 per cent.

Mr Gordon Roddick, chairman, said like-for-like sales for the financial year so far were down only 1 per cent on last year, compared with 5 per cent reported at the half-year.

[illegible] Day, [illegible] WEW Group, said like-for-like sales in the five months to the end of December were up 4 per cent, and total sales up 16 per cent.

After a poor August and September, trading had improved from October to December.

Brown [illegible] Jackson, owner of [illegible] Poundstretcher discount chain, said [illegible] sales [illegible] only [illegible] per cent for the [illegible] weeks [illegible] December 24. [illegible] pre-tax loss for the year [illegible] December [illegible] likely [illegible] be bigger than current market [illegible] tions of [illegible] £4m.

Hollas in red after restructure

[illegible] review of activities [illegible] the [illegible] management team at Hollas Group, the Manchester-based clothing and [illegible] group, resulted in pre-tax losses of £254,000 for the six months to September 30, against profits of £255,000, writes Nigel Clark.

The outcome was after exceptional costs of £705,000, comprising £208,000 relating to management changes and £425,000 for losses on and provision against the values of surplus properties.

Of the property charge £325,000 was accounted for by the net loss on the sale of [illegible] Manchester property announced yesterday. The total consideration was £2.4m, raising net cash of £1.85m which is being used to cut borrowings and for working capital.

Mr Julian Lee, who retreated from the corporate scene following the sale of Bricom, the industrial conglomerate, in 1990, came out of retirement to become group chief executive in October.

Turnover was £12.8m, against £15.9m including [illegible] from discontinued [illegible] per share were 0.5p (earnings 0.3p). The interim [illegible] is [illegible] 0.3p.

Gartmore launches split capital investment trust

By Bethan Hutton

Gartmore is launching a new split capital investment trust, the British Income and Growth Trust, via an offer for subscription opening on February 15.

There will be two classes of shares: ordinary income, with a predicted dividend yield of 9.3 per cent; and zero dividend preference shares, with a forecast annualised gross redemption yield of 8 per cent. Packaged units, yielding 4.4 per cent, are also available.

The trust will invest in UK shares with higher than average yields, though not always the highest yielding, to allow greater diversification. The trust is due to be wound up at the end of 2002. It will need to achieve growth of 5 per cent a year if income shares are to be repaid with no loss of capital, and an annual yield of 140 per cent of the FT-SE-A All-Share to cover all charges as well as predicted yields on income shares and packaged units.

Mr Lewis McNaught, of Gartmore Fund Managers, said he expected strong demand for the zeros from institutions, and for the income shares from private investors looking for Pep [illegible] the tax [illegible].

Mr John Szymanowski, [illegible] investment trust [illegible] at SG Warburg, said the [illegible] to [illegible] Shared Equity trust, which [illegible] a slightly [illegible] yield. [illegible] Equity was launched in November as [illegible] result of the restructuring of [illegible] Value. Mr [illegible] said [illegible] interest [illegible] in [illegible] launch had [illegible] development [illegible] the [illegible] fund with an almost identical [illegible].

Launch expenses will [illegible] 4 per [illegible], and the annual management [illegible] will be 0.5 per cent. Pep charges will be 1 [illegible] cent initially and [illegible] annually.

Harmony stake in Leisuretime

By Tim Burt

Harmony Property, the former hotel [illegible] restaurants group, [illegible] harked back towards [illegible] old [illegible] by acquiring [illegible] stake in Leisuretime Inns, [illegible] unquoted pubs operator.

[illegible] company, [illegible] last month changed its [illegible] from Harmony Leisure, said it was teaming up with Mr Barry Cox, [illegible] joint [illegible] and [illegible] operator [illegible] the Hard [illegible] Café, [illegible] into [illegible].

Mr John Main, Harmony's chairman and chief [illegible], said the company had reached agreement with Mr Cox and Mr Bob Halsey, managing director [illegible] Leisuretime, to acquire [illegible] joint holding of 29.9 [illegible] cent in [illegible] group.

Mr Cox, whose [illegible] restaurant operation [illegible] Fatboy's Diner, would offer [illegible] sive catering expertise to the company, Mr Main added.

Campari expects £7.75m loss

Campari International, the [illegible] group, said yesterday that continuing difficult trading [illegible] meant [illegible] initial indications were [illegible] pre-tax [illegible] for [illegible].

The new management team had [illegible] action [illegible] costs, strengthen product design and rationalise [illegible] supplier base, but [illegible] changes were unlikely to significantly improve results until [illegible] second half of 1994.

DIVIDENDS ANNOUNCED

		Current payment	[illegible] payment	[illegible] ponding dividend	Total for [illegible]	Total last [illegible]
Aberforth Split	int	2	[illegible] 4	2	-	[illegible]
Cray Elect	int	0.75†	Apr [illegible]	0.5	-	1.5
Hollas	int	0.3	[illegible]	0.6	-	1.2
Jones Stroud	int	3.5	[illegible] 6	3.3	-	[illegible]
Kershaw (A)	fin	18	Apr [illegible]	18	27	[illegible]
Matthew Clark	int	7.25†	Apr 8	6.75	-	[illegible]
Microgen	fin	[illegible]	Apr 6	5.05	[illegible]	[illegible]
Neotronics	fin	1.75	Mar [illegible]	1.75	[illegible]	[illegible]
PWS	fin	2.5	Apr [illegible]	2.5	[illegible]	4
Rank Org	fin	nil	-	20.75	[illegible]	[illegible]
Securicor	fin	[illegible]	Apr 5	[illegible]	[illegible]	2.82
[illegible] S'vices	fin	4.151	Apr [illegible]	3.636	[illegible]	5.03
[illegible] Inv	int	10	Jan [illegible]	[illegible]	-	[illegible]
TSB	fin	4.55	[illegible]	3.25	7.68	[illegible]
Wyko	int	nil	-	0.5	-	1

Dividends shown pence per share net except where otherwise stated. †On increased capital.

Attractive business with large potential

Maggie Urry examines Magnet's new direction after its acquisition by Berisford

Mr Alan Bowkett, [illegible] executive of Berisford International, [illegible] that in Magnet he [illegible] found a business with [illegible] potential.

He will take up as many of the rights on his 1.5 per cent shareholding as he can by selling some shares. He has convinced holders [illegible] another 24 per cent to [illegible] up their rights.

Analysts were [illegible] yesterday that [illegible] could be about 150p when trading resumes, compared to yesterday's 128p suspension price, [illegible] the deal is approved by shareholders.

Mr Bowkett believes the joinery product maker [illegible] distributor [illegible] a strong brand name in spite of the prob[illegible] it has suffered since its ill-fated management buy-out of 1989.

The business was well known among small builders [illegible] traded as Magnet [illegible] Southerns. However, in the 1980s Magnet changed [illegible] and tried [illegible] appeal [illegible] retail [illegible] by opening high street shops.

When Mr John Foulkes joined Magnet a month after the mbo in July 1989, he initially approved the strategy. But he quickly [illegible] that the new shops had simply added costs without a commensurate increase in sales.

[illegible] bit [illegible] stopped moving [illegible] fell, leaving Magnet [illegible] were £376m in the year to March 1988 but are now running [illegible] a little [illegible] than half that level. About half the fall, Mr Bowkett says, was [illegible] result of the falling market, [illegible] quarter was [illegible] share, and the rest low margin business which Magnet got out of.

Mr Foulkes attacked excess capacity by closing shops and factories, until today Magnet has 230 outlets, and four factories. The factories are currently working at only 60 per cent of capacity, supplying 75 per cent of Magnet's stock.

He concedes that despite his efforts, which have returned the business to break-even, there is still more for Berisford to do.

Mr Bowkett says after six months of negotiations with Magnet's former owners, his team has had a good look at the business and already formulated [illegible] long list of actions to be taken.

First there is to be more cost-cutting, for instance by eliminating unnecessary product ranges and integrating distribution. However, in the medium to longer [illegible] should [illegible] growth [illegible] with [illegible] housemoving [illegible] considered by some to be [illegible] the turn.

Mr Bowkett expects to increase market share as well. He wants to rebuild Magnet's reputation [illegible] jobbing builders, and to attack the new housebuilding and public [illegible] repair and [illegible] market that [illegible].

Further, [illegible] has [illegible] places where new outlets could be opened, and [illegible] they [illegible] turning [illegible] £500,000 each within two or three years and earn [illegible] return on the £150,000 each will cost to open.

If Berisford fails to revitalise Magnet, [illegible] will not be for [illegible] lack of ideas or [illegible].

Bankers salvage little from late bail-out

Yesterday's sale by eight banks of the operating [illegible] Magnet ends the saga of one of the worst of the many poor lending [illegible] the [illegible] 1980s, [illegible] Maggie Urry.

The business, bought by its management through [illegible] leveraged deal in July [illegible] £629m, has been sold for £56m.

Senior lenders to the buy-out put in £372.5m. They [illegible] headed by Bankers Trust, the American bank which at the time was trying to make [illegible] name for itself in the London market as an innovative provider [illegible] finance. Mezzanine lenders contributed £190m, a larger than usual [illegible].

With substantial [illegible] the debt being rolled up into the capital in the intervening years, Airedale Holdings, Magnet's parent [illegible]pany, had debts of £800m by the time it went into receivership two days before Christmas 1992.

On the same day, the banks which were the original senior lenders bought the operating company from the receiver. It is these banks which have now sold [illegible] Berisford [illegible] what appears to be [illegible] down price.

Bankers Trust declines [illegible] comment on the whole sorry episode. But one [illegible] involved privately admitted, with masterly understatement, that "it was [illegible] mistake".

The mbo was doomed from the start.

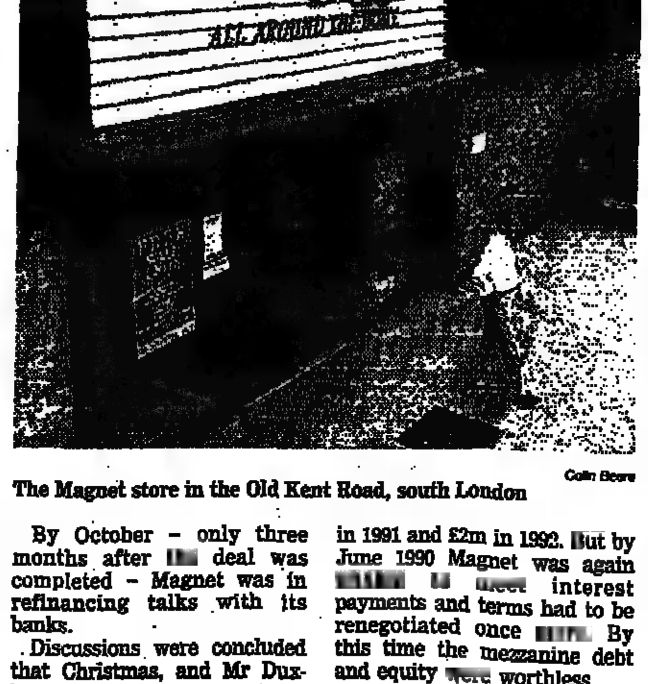
Management, led by Mr Tom Duxbury, then chairman, launched its bid in April 1989. Pre-tax profits [illegible] the financial year just ended were estimated at £72.7m, including £12.2m of property profits. Bankers were told that profits would grow at an annual 15 per cent.

As it turned out, [illegible] to Berisford, Magnet [illegible] trading profit of only £30m, excluding property profits, in the year to March 1989, and the following year suffered a £23m loss, which rose to [illegible] in 1992.

Delays in completing the mbo – caused by complaints from some institutional inves[illegible] – meant it was not signed until July that year.

By then the retail market was turning sour, as interest rates rose and housing activity fell, and other leveraged buy-outs, such as MFI [illegible] Lowndes Queensway, were meeting problems paying interest on increasingly expensive [illegible].

So when Bankers Trust attempted [illegible] syndicate the loan in early August [illegible] was unable to [illegible] so.



Colin Beere

The Magnet store in the Old Kent Road, south London

By October – only three months after [illegible] deal was completed – Magnet was in refinancing talks with its banks.

Discussions were concluded that Christmas, and Mr Duxbury resigned. Mr John Foulkes, [illegible] was given [illegible] bonus [illegible] in 1991 and £2m in 1992. But by June 1990 Magnet was again [illegible] interest payments and terms had to be renegotiated once [illegible]. By this time the mezzanine debt and equity [illegible] worthless.

Apart from the fatal flaw [illegible] lending in the first place, the banks made [illegible] grave mistake. They failed [illegible] security over [illegible] trading [illegible] Magnet, which [illegible] held in a subsidiary company. The banks could not force Magnet to sell assets in order to repay [illegible].

As the [illegible] worsened, Airedale's [illegible] rose and in [illegible] year [illegible] 1992 [illegible] £125.1m, by which time it had negative net worth of [illegible].

[illegible] appears [illegible] be nothing, beyond the £56m [illegible] price, that the banks can salvage from the wreckage, although litigation continues.

Lawsuits were started by GE Capital, which put up £70m of the mezzanine debt and which sued the company and Bankers Trust, and by Bankers Trust, which sued Arthur Andersen, the accounting firm, over its role in the mbo. The latter suit is expected [illegible] come to court in October.

The mbo [illegible] thus severe losers [illegible] the saga – and some would argue [illegible] now compounding their losses by selling [illegible] bottom of the market.

The winners must be the Magnet shareholders who, however reluctantly, sold in 1989, and perhaps Berisford's shareholders if Magnet's new [illegible] succeeds in returning it to profits.

Securicor up despite flat tone at Cellnet

By Tim Burt

Securicor, the security and communications group, yester[redacted] announced a 33 per [redacted] increase in annual profits despite a flat performance by Cellnet, its 40 per cent-owned mobile phone network.

Pre-tax profits in the year to September 30 [redacted] from a [redacted] £47.3m to £63m. On continuing operations, how[redacted] [redacted] improvement [redacted] more modest with profits ahead 15 per cent at [redacted] (£55.2m).

Mr Roger Wiggs, chief executive, [redacted] the [redacted] had reduced its reliance on Cellnet, which [redacted] the [redacted] in recent [redacted], while [redacted] group's other [redacted] had improved sharply.

Profits from continuing managed [redacted] operations – security, parcels, communications, insurance and business services – rose 85 per cent to £17.1m (£9.3m).

Yet Cellnet, in which BT has a [redacted] per cent holding, still accounted for more than 70 per cent of total profits with a pre-tax contribution [redacted] (£45.9m).

Mr Bob Warner, Cellnet's managing director, said the network had been held back only by [redacted] launch costs of [redacted] Lifetime service and substantial marketing expenses.

Group [redacted] increased 9.2 [redacted] cent from £583.8m to £637.3m, while Security Services – the [redacted] per cent-owned subsidiary where most [redacted] the group's operating [redacted]panies are [redacted] – reported turnover [redacted] £616.4m [redacted].

Profits [redacted] the subsidiary [redacted] by 41 per [redacted] a [redacted] £30.7m to £43.3m.

Among Securicor's managed businesses, the security division showed the sharpest improvement as the benefits [redacted] a [redacted] rationalisation programme pushed pre-tax profits [redacted] £9.1m [redacted].

Although the parcels division [redacted] by overcapacity, it gained [redacted] from rival companies [redacted] reported profits of [redacted] (£4.6m).

The communications division, excluding Cellnet, continued [redacted] money. [redacted] Cellular Services, [redacted] retailing [redacted], helped cut [redacted] to £4.5m, compared with [redacted].

In spite of the improvement, Mr Wiggs warned that further rationalisation would be necessary to improve margins.

Restated group earnings per [redacted] rose from 20p to 30.2p, while earnings at Security Services increased to 26.6p (14.9p).

A final [redacted] dividend [redacted] 2.229p [redacted] proposed [redacted] make a total of 2.961p, an increase of 13 per cent. [redacted] similar increase is proposed at Security Services, a final of 4.151p making [redacted] total of 5.684p.

■ COMMENT

Although Securicor has enjoyed improved contributions from [redacted] managed busi[redacted], Cellnet [redacted] expected [redacted] its dominance this year. Indeed, speculation that BT [redacted] consider a bid for [redacted] the price of its [redacted] shares, up 6p [redacted] yesterday. Buoyant [redacted] about 400,000 new subscribers [redacted] further [redacted] performance, and [redacted] contribution [redacted] by [redacted] £10m. That expectation has pushed [redacted] profits up [redacted] on a multiple [redacted] 24.5, [redacted] expensive option.

Wyko loss grows to £0.3m

By Paul Cheeseright, Midlands Correspondent

Falls in turnover and margins in UK manufacturing and losses in South Africa left Wyko, the West Midlands manufacturer and distributor of bearings and power transmission components, with increased interim pre-tax losses.

The board has decided to [redacted] the interim dividend, against last time's 0.5p.

Mr Philip White, chairman, warned that although trading was expected to improve during the second half, all [redacted] the exceptional costs involved in scaling down the manufacturing operations would be taken in this year's accounts.

The loss for the six months to October 31 was £333,000 against a profit of £131,000.

The group's fortunes slipped during the second half of 1992-93 and the year ended with [redacted] deficit of £20,000.

Philip White: exceptional costs warning for this year

There was an operating loss in UK manufacturing of £432,000, incl[redacted] redundancy [redacted] of [redacted] African [redacted], which were sold [redacted] this month, recorded a loss of [redacted].

In UK manufacturing [redacted] against costs, including [redacted] businesses [redacted] one [redacted] reduction in staffing. [redacted] payroll, 1,120 two [redacted] now [redacted] will [redacted] about 850 by [redacted] of the rationalisation programme next May.

The international distribution business, however, is performing strongly and UK distribution is seeing recovery in demand.

[redacted] a [redacted] £250,000 [redacted] losses per [redacted] 1.19p (0.07p). For [redacted] full year there [redacted] losses of [redacted] when [redacted] dividend [redacted] to 1p.

[redacted] was [redacted] higher at £30.4m [redacted]. However [redacted] profits slumped to £96,000 (£685,000), which was not enough to cover interest payments of £429,000 (£424,000), reflecting gearing of 62 per [redacted].

Shingles drug price [redacted] recedes

By Daniel Green

The threat of [redacted] price war between SmithKline Beecham and Wellcome, which make the only two [redacted] that [redacted] condition called shingles, seemed to be averted yesterday when SmithKline's drug was launched in the UK at virtually the same price as its rival.

SmithKline launched Famvir at [redacted] for a seven-day course. Wellcome cut the price of Zovirax by 5 per cent to £107.30 for a week-long course as [redacted] shingles treatment.

SB said it had priced Famvir below the then price of Zovirax because buyers such as general practitioner fundholders were under [redacted] to spend less.

Wellcome said that it had cut the price "to bring it into line with European pricing [of Zovirax]."

Annual UK sales of Zovirax are about £40m, of which less than one third is for shingles.

However, both companies agree [redacted] only half the potential [redacted] of their shingles treatments in the UK are currently prescribed the drug.

Mr Jonathan de Pass, pharmaceuticals analyst with BZW, said yesterday: "There is no need for them to compete on price. The market is now an oligopoly and [redacted] no sig[redacted] drugs."

Famvir has been submitted for regulatory approval in more than [redacted] countries, [redacted] US approval likely [redacted].

About [redacted] world sales of Zovirax are in the US; the UK accounts for about 5 per cent.

NU writ against Tarmac

By Andrew Taylor, Construction Correspondent

Norwich Union has issued a writ for damages, understood to be for up to £80m, against a subsidiary of Tarmac, the construction group, for work on the Galleries shopping centre in Bristol.

Tarmac, meanwhile, is claiming more than £2m in unpaid fees and costs it said it is owed for work on the development.

The construction company said it had not had opportunity to analyse details of the writ but it was "satisfied the group had no material liability in this connection."

Schal International, Tar[redacted] construction management subsidiary, worked on the project until spring 1991 when it was replaced. The claims by [redacted] Union relate to the late opening of the development which is now trading and mostly let.

The construction group, which has rejected Norwich Union's claims, told shareholders yesterday that the claims have been reviewed but no agreement has been reached.

Cap and Regional

Capital and Regional Properties has acquired Greencoat House, Kingston upon Thames, from Chartwell Land Investments for £3.45m. The property, built in 1980, comprises seven shops and more than 16,000 sq ft of offices.

Current annual rental income is £425,000, and is expected to rise to £450,000.

Neotronics affected by European recession

By Graham Deller

[redacted] Technology, [redacted] specialist gas and [redacted] analysis equipment [redacted], staged [redacted] recovery in [redacted] half, but still reported a 23 [redacted] in annual profits.

Mr Paul Gotley, chairman, said trading remained difficult following recession in many of the group's main markets, especially Europe.

Turnover for the 12 months to end-September improved to £21.4m (£19.3m), but after a deficit of some £550,000 emanating from the group's currency hedging policy and redundancy [redacted] of £252,000, the pre-tax line [redacted] £3.03m [redacted].

Mr Gotley [redacted] of the acquisition in 1992 and subsequent integration [redacted] Instrumentation, the [redacted] and [redacted] quality analysis business, were becoming apparent. The results took in a full year from the offshoot, against nine months last time.

Future growth, he said, depended on new technology. The formal launch [redacted] the group's Electronic [redacted] (Neotronics Olfactory Sensing Equipment) [redacted] this month.

The [redacted] is [redacted] play a substantial role in [redacted]ing manufacturers in [redacted] and drink, [redacted] and perfume and medicine [redacted] in quality control and product standardisation.

Earnings [redacted] dipped from 7.65p [redacted] 5.73p; a proposed final dividend of 1.75p maintains the total for the [redacted] 2.6p.

PWS increases to £2.4m despite interest setback

PWS Holdings, the insurance and reinsurance broking group, yesterday reported pre-tax profits of £2.4m for the year to September 30 on sales up 6 per [redacted] from £14.4m [redacted] £15.3m.

The figures for 1992 have been [redacted] under the [redacted] accounting standard. This means that the pre-tax profits figure [redacted] £1.2m has [redacted] depressed by a charge [redacted] £1.02m related to closure of a subsidiary. Under the previous accounting treatment [redacted] was carried as an extraordinary provision of £683,000.

In [redacted] 12 months under review, [redacted] interest [redacted] led [redacted] further fall in investment income, from £2.1m to [redacted] combined shortfall over [redacted] last two [redacted] amounts [redacted] £2.3m.

PWS International, which specialises in the reinsurance [redacted] large individual risks [redacted]nating from outside North [redacted] and [redacted] 71 per [redacted] group sales, [redacted] its brokerage by 15 per [redacted] to £10.9m.

The final dividend is again 2.5p, making an unchanged total [redacted] 4p [redacted] the year, on earnings [redacted] of [redacted] (4.4p).

Non-core but rising profits are appealing

John Gapper considers the continuing role of a restructured Hill Samuel within TSB

Mr Peter [redacted], TSB Group's chief executive, yesterday tried once again [redacted] clarify his bank's attitude to Hill Samuel, the merchant banking arm which it was widely expected to discard.

"We never actually said that it [redacted] for sale, and now [redacted] said clearly [redacted] it [redacted] for sale," he said.

The statement was true, but incomplete. TSB circulated an information memorandum to possible buyers of Hill [redacted] last year, and Sir Nicholas Goodison, TSB's chairman, hinted at [redacted] possible [redacted] he [redacted] it [redacted] hold on [redacted] Hill [redacted] unless it [redacted] "an offer we could not resist".

However, [redacted] such [redacted] was received. This meant [redacted] Mr Ellwood yesterday [redacted] explaining why TSB now apparently intends [redacted] retain [redacted] merchant bank and investment management [redacted] despite [redacted] oft-repeated strategy [redacted] concentrating on its [redacted] banking and insur[redacted] businesses.

The [redacted] might [redacted] that it [redacted] simply making the [redacted] not having received [redacted] high enough [redacted] Selling Hill Samuel certainly appeared [redacted] sion last year to isolate in a separate administration unit [redacted] built up through poor corporate lending.

This [redacted] Hill Samuel, which operates in [redacted] vices as [redacted] merchant banking [redacted] investment management, [redacted] register [redacted] profit [redacted] year despite [redacted] £142m [redacted] being [redacted] loan administration unit, which now [redacted] of loans [redacted] down [redacted] a net [redacted].

There [redacted] to [redacted] little [redacted] TSB's [redacted] and merchant banking busi[redacted]. Large banks such [redacted] Barclays and National Westminster have tried [redacted] raise [redacted] by using large corpo[redacted] lending [redacted] lever [redacted] clients services such [redacted] equi[redacted] underwriting and foreign exchange dealing.

But TSB [redacted] corporate [redacted] tempt [redacted] Hill Samuel's expertise. The [redacted]chant [redacted] to be [redacted] if it [redacted] return [redacted] equity from about 10 per [redacted] last year [redacted] hurdle [redacted] post-tax.

Ashley Ashwood

Clarifying attitudes: Sir [redacted] Goodison, left and Peter [redacted] presenting [redacted]

[redacted] light, Hill Samuel could become attrac[redacted]. Mr Hugh Freedberg, [redacted] brought in [redacted] reshape the [redacted] in [redacted] cent [redacted] the restructuring [redacted] now occurred. Among the effects are the closure of 11 Hill [redacted] in staff [redacted] year from 1,600 [redacted] 1,100.

[redacted] significantly, Hill Samuel [redacted] loan portfolio by [redacted] during [redacted] £2.1bn. This [redacted] capital employed in the [redacted] to [redacted] £400m.

Mr Freedberg predicts [redacted] figures will fall [redacted] year [redacted] between £1.5bn and £1.7bn of loans, and [redacted] capital employed.

Mr Freedberg [redacted] built up funds under management in the investment management [redacted] £26bn, raising profits from [redacted] to [redacted] year. However, the financial services business saw prof[redacted] fall by [redacted] switched out [redacted] products.

The main reforms have [redacted] bank, where [redacted] reduced emphasis on corporate lending has been replaced by [redacted] build up its corporate advisory and structured finance activities. The bank [redacted] has eight businesses, including aerospace and shipping finance arms.

Mr Freedberg cites [redacted] an example of Hill Samuel's best type of [redacted] as its corporate advisory role to the government [redacted] the Channel tunnel. He [redacted] that the bank bid [redacted]cessfully for this [redacted] by combining [redacted] expertise in three areas: corporate finance, project finance and banking.

He accepts that Hill Samuel [redacted] gain much corporate business from its parent. He argues, however, that Hill Samuel benefits from TSB's very strong capital, which makes it [redacted] to underwrite securities, and offer long-term swaps which require capital backing.

The [redacted] that TSB has such strong capital – its tier one ratio of core capital [redacted] risk-weighted [redacted] 8.7 per [redacted] year, against 7.2 per [redacted] that it [redacted] no pressing need to sell Hill Samuel. [redacted] logic [redacted] keeping it, it will [redacted] sell.

The longer-term question may be whether TSB is tempted [redacted] invest in expanding Hill Samuel's [redacted] well [redacted] strengthening those it has. The obvious choice would be [redacted] replace the broking and capital markets operations [redacted] it [redacted] in 1989 with the sale [redacted] Mackenzie.

Mr Freedberg [redacted] that [redacted] premature. "We [redacted] get a few [redacted] before [redacted] think about things [redacted] that."

For [redacted] moment, Hill Samuel's staff may want to enjoy the luxury [redacted] being the object [redacted] speculation [redacted] when they will be sold.

Matthew Clark draws benefit from acquisitions

By Philip Rawstorne

The [redacted] from acquisitions made in 1993 lifted interim pre-tax profits of Matthew Clark, the drinks producer and [redacted], by 42 per cent from £2.42m [redacted] £3.43m.

Four months' trading from [redacted] the drinks [redacted]saler, and [redacted] Grants of St [redacted] the wine business, [redacted] for [redacted] of [redacted] turnover [redacted] £47.6m (£26.1m) and contributed £1.16m [redacted] operating profits [redacted] £3.57m (£2.45m).

Continuing operations had shown only [redacted] growth during [redacted] to end-October, [redacted] Mr Peter Aikens, [redacted] executive. "Once again the build up [redacted] the Christmas trade was slower than we would prefer but [redacted] a strong spurt in sales in [redacted] itself, although margins remained [redacted] pressure in [redacted] branded drinks division".

Freetraders' performance had been "most encouraging," he said. In [redacted] end-September, it had achieved organic growth [redacted] 18.9 per cent in sales and 25.6 per cent in operating profits. But the group's total wholesaling business still represented only 1 per [redacted] the pubs, hotels and restaurants market.

Integration [redacted] the Grants business [redacted] proceeding [redacted] plan and would produce [redacted] savings, Mr Aikens said. Redundancy [redacted] issued yesterday [redacted] the 540-strong [redacted] and a production unit [redacted] Worksop [redacted].

Sales [redacted] Strathmore spring [redacted] – an [redacted] acquisition in [redacted] buying [redacted] that has quadrupled [redacted] of [redacted] group in the last [redacted] years – increased 20 per [redacted] by volume in a market which [redacted] by 10 per [redacted] Further [redacted] in marketing support [redacted] widen distribution.

[redacted] British wine volumes [redacted] marginally lower but the group's main brands maintained their position in a market in which commodity products made large inroads into the own label [redacted].

Earnings [redacted] 16p (15.2p) and the interim dividend is lifted [redacted] 7.25p (6.75p).

Castle Cairn lifts net asset value 44%

Net [redacted] Castle Cairn Investment Trust jumped [redacted] per cent, from 49.78p [redacted] 71.67p per share, [redacted] the 1993 calendar year.

Net revenue improved marginally [redacted] £106,000 (£102,000) for earnings [redacted] 0.88p (0.85p) per share. The single distribution goes up from [redacted] to 0.825p.

[redacted] said they expected [redacted] publish in February propos[redacted] for the enlargement [redacted] the company and [redacted] change of investment policy.

Kelt surges ahead and dividend in sight

By Gary Evans

Contributions from acquired [redacted] in Colombia and [redacted] Africa [redacted] Energy, [redacted] independent oil and gas production and exploration company, [redacted] hoist pre-tax [redacted] from £829,000 to £3.24m in [redacted] months [redacted] September 30.

[redacted] more than doubled [redacted] against [redacted]. Earnings per share [redacted] from 0.4p [redacted] 1.8p.

Mr Hubert Perrodo, chairman, [redacted] Kelt's prospects [redacted] position were [redacted]ciently strong [redacted] it to return to the [redacted]dend list [redacted] an absence [redacted].

He said the board would recommend a dividend as soon as practicable.

Daily [redacted] production in September [redacted] increased [redacted] about 11,800 barrels of oil equivalent per day, against 5,430 in March 1993.

Proven/probable reserves grew 68 [redacted] from [redacted] boe in March 1993 [redacted] in September.

[redacted] significant change [redacted] com[redacted] in [redacted] period had come through [redacted] purchase [redacted] in producing fields in [redacted] three [redacted]. The fields, [redacted] in [redacted] prolific Llanos Basin, [redacted] added [redacted] production [redacted] 5,000 boepd.

Mr Perrodo [redacted] profitability in existing operations had been largely [redacted] in spite of lower [redacted] and contract gas prices in [redacted] period. Kelt [redacted] continued to emphasise [redacted] and limit bor[redacted].

Kelt's [redacted] end [redacted] reverting to December 31 in [redacted] to bring the [redacted] back into line [redacted] common practice within the upstream oil and gas industry. [redacted] annual report [redacted] cover the nine month period to December 31 1993.

COMMODITIES AND AGRICULTURE

Alcan cut cheers aluminium market

By Bernard Simon in Toronto and Kenneth Gooding in London

Alcan of Canada last night announced immediate [redacted] to its world-wide primary aluminium output totalling [redacted] tonnes. The move came [redacted] meetings in [redacted] between trade [redacted] from leading aluminium-producing countries [redacted] expected to [redacted] terms [redacted] production cuts of up to 2m [redacted] to [redacted] the growing [redacted] supply of the metal.

Analysts [redacted] Alcan's initiative. "This [redacted] very [redacted] impact, particularly [redacted] of goodwill ahead [redacted] the [redacted] ings," [redacted] Mr Stewart Spector who produces [redacted] Spector Report on the aluminium industry.

Mr Nick Moore, analyst at Ord Minnett, an affiliate [redacted] Jardine Fleming group, said: [redacted] opening [redacted] by the North [redacted] producers. It [redacted] will not [redacted] bluffing at next week's talks. I [redacted] will get [redacted] lution in [redacted]

Alcan's [redacted] came well after the [redacted] closed but it pushed up the price of aluminium for delivery on the London Metal Exchange in three months, which had closed at $1,166.50 a tonne, to $1,172 in [redacted] trading.

The Brussels meetings, scheduled for next Tuesday and Wednesday but [redacted] might [redacted] longer if [redacted] sary, [redacted] on how the [redacted] should [redacted] and [redacted] the [redacted]. If no [redacted] reached, [redacted] producers [redacted] likely immediately to make anti-dumping charges against the Russian industry.

A sudden surge in Russian exports to the rest of the world following a collapse in domestic demand is widely blamed for the aluminium surplus which has driven down prices recently to all-time lows.

Taking part in the talks with Russia will be Australia, Canada, the European Union, Norway, and the US.

Last month in Washington they agreed that annual cuts of between 1.5m and 2m tonnes were needed to bring the market into balance in addition to the 1m tonnes closed by western producers last year. Mr Spector estimates that a 2m-tonne cut would bring balance in 6 months, 1m in 18 months.

There is still the possibility that next week's talks might not go smoothly because the US wants Russia to take 1m tonnes of the cuts whereas the EU suggests 500,000 tonnes would be a reasonable level.

If agreement can be reached, governments must then attempt [redacted] persuade their [redacted] producers [redacted] the cuts. [redacted] industry [redacted] suggest that politi[redacted] in [redacted] will [redacted] culty persuading [redacted] managers in remote parts of Russia to reduce output.

Also the western governments intend to invite other leading producing regions such as Brazil, the Gulf States and Venezuela to share the pain if cuts are agreed.

Monitoring and control of the production-cut scheme, which will last at least 18 months, is likely to be by the International Primary Aluminium Institute.

Alcan said the latest cuts were in addition to 102,000 tonnes temporarily shut in 1991 and 1992 and would take its operating rate down to 85 per cent of capacity. Cuts would be made through potline closures, non-replacement of pot linings and amperage reductions. The biggest, of [redacted] tonnes a year, would be [redacted] plant [redacted] Sebree, Kentucky. Others were in the UK, [redacted] Canada. About 200-300 jobs would be lost.

US crop news boosts maize and soya prices

[redacted] in [redacted]

US [redacted] and [redacted] jumped yesterday, [redacted] five-month rallies [redacted] news from the US Department of Agriculture that the weather-ravaged harvests of 1993 were even smaller that previously estimated.

The USDA in its final report on [redacted] production [redacted] US [redacted] only 6.3bn bushels (56lb each) of maize, [redacted] per cent below the 1992 record, and the smallest crop since 1974. After accounting for [redacted] and export [redacted] only 802m bushels of maize will remain in storage in the US before the next harvest.

The uncomfortably [redacted] stock levels could drive maize futures prices at the Chicago Board of Trade as high as $3.40 a bushel as a means of rationing supply, and could mean the US would have to import maize to meet domestic needs, said Mr Bill Biederman, analyst for the market consultants, Allendale, Inc.

In late trading maize futures prices for May delivery were 4¼ cents higher at $3.13½ a bushel.

The size of the US's other m[redacted] feedgrain crop, soyabeans, was also reduced. Soyabean futures prices jumped in Chicago on news that the harvest was 1.81bn bushels (60lb each), 17 per cent below 1992 production, and 1 per cent less than the USDA's November estimate.

The drop in USDA's soyabean production figure was accompanied by a 15m bushel decline in the agency's estimate of soyabean ending stocks, to 150m bushels.

Analysts said the low stocks figure could push soyabean prices well over $7.50 a bushel, although short supplies of US soyabeans could be offset by higher production in Brazil and Argentina.

German group to spend £115m on crop protection programme

By Judy Dempsey in Berlin

Hoechst and Schering, two of Germany's largest p[redacted]tical and chemical companies, which last month merged their plant protection and pest control activities, yesterday announced an invest programme of [redacted] than [redacted]M300m (£115m) for [redacted] protection [redacted] and development.

At [redacted] same time Mr Gerhard Prante, chairman of AgrEvo, [redacted] new company, [redacted] increasing [redacted] share in North America and Japan, which he identified as the two growth areas for pesticides and insecticides, would be one its main aims.

AgrEvo will [redacted] 1,200 employees [redacted] four [redacted] in Europe: Berlin, Frankfurt, Paris and Cambridge. They will develop two insecticides and ten herbicides, which could be registered by the end of the decade.

Until their merger, the agrochemical division of Hoechst, primarily focused on cereal herbicides and insecticides. Last year it recorded a turnover of DM2.1bn. Schering, which specialised in sugar beet herbicides, cereal, vine and fruit fungicides, had a turnover of DM1.3bn. Following the merger, AgrEvo, which will have its headquarters in Berlin, expects to have a turnover this year of DM3bn and will employ 8,000 people.

The company already holds 15 per cent of the market share in Europe, 5 per cent in Japan, and 4.4 per cent in North America. But AgrEvo expects little growth in Europe this year, because of overcapacity and pressure on agricultural prices. However, it hopes to expand into eastern Europe despite the limited purchasing power of the region's farming community, which no longer enjoys the subsidies of the communist era.

But it is the North American and [redacted] markets that AgrEvo will home in on with the intention of [redacted] and marketing the Basta herbicide, a product designed for compatibility of various crops to glufosinate-ammenium; a compound that destroys pests.

Essentially, the Basta herbicide enables crops, through molecular biological processes, to withstand, or have immunity from pesticides and insec[redacted]. Mr Christoph von Szczepanski, head of research at AgrEvo, said [redacted] expected [redacted] obtain licences for spring-sown oil seed in Canada by [redacted] added that AgrEvo would introduce to Canada maize, oilseed rape and soyabean species that would [redacted] compatible with the [redacted] herbicide, making the company one of the first to market biologically engineered products.

"The aim of the Basta herbicide is not only to maximise yields but [redacted] give farmers [redacted] flexibility in the choice of [redacted] time," said Mr von Szczepanski.

'American investors fuelled gold price rise'

By Kenneth Gooding, Mining Correspondent

[redacted] in [redacted] in North America [redacted] parts of Europe helped [redacted] the gold price [redacted] Fields Mineral [redacted] consultancy group, in [redacted] report today.

A drop [redacted] sales by [redacted] banks [redacted] governmental organisations [redacted] by [redacted] pro[redacted] price rise.

However, jewellery makers, the [redacted] important [redacted] in [redacted] gold market, substantially [redacted] their purchases. There was [redacted] drop in the buying of gold bars for hoarding.

[redacted] jewellery [redacted] still accounted [redacted] more [redacted] all [redacted] newly-mined gold [redacted] according [redacted]. The supply of newly-mined gold rose only slightly, by 1.7 per cent, from [redacted] 1992 level [redacted] 2,231 [redacted] 2,299 [redacted]

[redacted] the financial backing of two big gold producers – Gold Fields [redacted] South Africa [redacted] Mining, [redacted] largest US gold [redacted] the [redacted] by [redacted] jewellery industry, by [redacted] per [redacted] from [redacted] tonnes in 1992 to an [redacted] 2,493 tonnes last year, was due in part to price-sensitivity but also to the effects of economic weakness in Japan and Europe, the austerity drive in China and the plentiful stocks of gold that had built up in many Middle Eastern and Far [redacted] markets.

Bar hoarding, down [redacted] than 32 per cent at 195 tonnes, was similarly [redacted] by [redacted] prices [redacted] of [redacted]

During 1993 the increase in investment demand was quite broadly-based, suggests GFMS, encompassing [redacted] re-appearance of significant private [redacted] in Germany after [redacted] of [redacted] on [redacted] gold at [redacted] of [redacted] year; the investment [redacted] gold futures and over-the-[redacted] positions [redacted] and the [redacted] of [redacted] portfolio investment to gold. "Even if [redacted] primarily on [redacted] such [redacted] purchase of [redacted] warrants, [redacted] impact [redacted] has been substantial."

Official sector sales increased not only because some central banks took the opportunity to sell as prices rose in the second half of 1993 but also because many of the "call" options written by central banks earlier in the year expired "in the money", resulting in a substantial quantity of the underlying gold being sold. GFMS estimates net official sales last year were 440 tonnes, nearly one quarter below the 582 tonnes in 1992 but still the second-highest level of annual [redacted] this [redacted] 1979.

The rising price and reduced contangos (forward premiums) persuaded many producers to allow their forward positions to run down in the second half of 1993. GFMS estimates that forward sales contributed 131 tonnes to supply last year, a 13 per cent fall from the 150 tonnes in 1992. Option hedging, after contributing 91 tonnes to supply in 1992, contributed nothing last year.

Mr Stewart Murray, GFMS chief executive, suggested last night that, compared with the flat trading in 1992 and the market's overheated state in the second quarter of 1993, the market now appeared to be returning to normality. He said the market was entering 1994 "in good shape".

Gold 1993 – Update II: £90 or US$145 from GFMS, Greencoat House, Francis Street, [redacted] SW1P 1DH, UK.

FT GOLD MINES INDEX

[redacted]	[redacted] 12	[redacted]
Index	2,311.1	[redacted]
[redacted]		
Africa	3,220.9	-5.7
Australasia	2,922.8	-1.0
[redacted]	1,927.8	-1.0
[redacted]	$386.10*	-2.3

[redacted] terms, based at 1,000 on 31/12/92. Daily publication will begin on [redacted]

French farmers seek flexibility on trade

By David Buchan in Paris

France's farmers must be given [redacted] flexibility [redacted] their own government and the European Union [redacted] for products whose export would otherwise [redacted] con[redacted] by last month's [redacted] in the [redacted] Agree[redacted] on [redacted] Trade, [redacted] Luc Guyau, president [redacted], [redacted] country's largest [redacted] union, [redacted] yesterday.

Farmers should be left free of bureaucratic [redacted] to upgrade [redacted] quality [redacted] products [redacted] could [redacted] exported without subsidy and therefore without Gatt [redacted] straints, Mr Guyau said.

The Paris and Brussels authorities should also encourage increased industrial use of crops to make "biocarburant" fuel, as well as rewarding [redacted] for environmental works like drainage and dykes, which the current [redacted] in many parts of France had proved inadequate.

Mr Guyau's first press conference [redacted] new [redacted] was [redacted] by [redacted] relatively smooth acquiescence in the Gatt deal on terms that until late last year the FNSEA had denounced as quite unacceptable.

"We are very conscious that we did not get all we hoped for," he said, "particularly in terms of a rebalancing of export restrictions with similar restrictions on imports, and of dealing with monetary fluctuations of the dollar and within Europe.

"But we have a feeling of pride about our combat over the seven years [of the Gatt negotiations]," he added.

Malaysian tin output slides

By Kieran Cooke in Kuala Lumpur

Latest official figures indicate that Malaysia's tin production last year was the lowest since statistics were first compiled.

Malaysia's department of mines says only 9,200 tonnes of tin in concentrates [redacted] produced in the first 10 months of 1993, with probable full year production put at a little over 10,000 tonnes. In 1992 Malaysia produced 14,300 tonnes.

The drop was blamed on low prices. On the Kuala Lumpur Tin Market last year they averaged M$13.06 a kilogram com[redacted] with M$15.23 in 1992. This week trading in has been around the M$12.70 mark.

Malaysia's miners say they need prices around M$16 to cover costs. In the early 1980s, when they were producing over 60,000 tonnes a year, prices were M$32 to M$34.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE
(Prices from Am[redacted]mated Metal Trading)

■ ALUMINIUM, [redacted].7 PURITY ($ per tonne)

	[redacted]	3 mths
Close	1149.5-50.5	[redacted]
Previous	1155-56	1019-19.5
High/low		1172/1164
AM Official	1147.5-48.5	[redacted]
[redacted]		1166-67
Open int.	261,553	
Total daily turnover	62,995	

■ ALUMINIUM ALLOY ($ per tonne)

Close	965-66	1009-12
Previous	922-27	1015-20
High/low		1112/1110
AM Official	988-93	1013-18
Kerb close		[redacted]
Open int.	2,667	
Total daily turnover	361	

■ LEAD ($ per [redacted])

Close	[redacted]	[redacted]
Previous	478-79	491-92
High/low		507/489
AM Official	47[redacted]	492-92.5
Kerb close		494-95
Open int.	31,624	
Total daily turnover	6,568	

■ NICKEL ($ per tonne)

Close	5635-40	5695-700
Previous	5640-50	[redacted]
High/low	5640	5740/5660
AM Official	5639-40	5704-05
Kerb close		5670-80
Open int.	52,858	
Total daily turnover	[redacted]	

■ TIN ($ per tonne)

Close	4805-15	4855-65
Previous	4845-55	4900-05
High/low		[redacted]
AM Official	4785-90	4835-40
Kerb close		4860-70
Open int.	16,398	
Total daily turnover	3,519	

■ ZINC, special high grade ($ per tonne)

Close	996.5-97.5	1015-16
Previous	999.5-1000.5	1018-19.5
High/low	991/990.5	[redacted]
AM Official	990.5-91	1010-11
Kerb close		[redacted]
Open int.	99,782	
Total daily turnover	[redacted]	

■ COPPER, grade A [redacted] per tonne)

Close	[redacted]	[redacted]
Previous	1776-78	1800-01
High/low		1790/1765
AM Official	1781-81.5	1773-74
Kerb close		1786-87
Open int.	257,787	
Total daily turnover	[redacted]	

■ LME AM Official £/$ rate: 1.4974
LME Closing £/$ rate: 1.4970

Spot 1.4965 [redacted] 6 mths: 1.4818 [redacted]

■ HIGH GRADE COPPER (COMEX)

	Close	Day's [redacted]	High	Low	Open int	Vol
Jan	83.00	+1.80	83.00	82.15	1,088	255
Feb	82.85	+1.75	82.80	82.80	1,293	100
Mar	[redacted]	+1.60	83.00	80.85	38,655	[redacted]
Apr	83.00	+1.50	-	-	[redacted]	[redacted]
May	83.05	+1.40	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	83.10	+1.35	[redacted]	[redacted]	846	19
Total					[redacted]	[redacted]

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N [redacted] Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
[redacted]	389.00-389.50	
Opening	384.90-385.30	
Morning fix	384.75	[redacted]
Afternoon fix	388.75	259.790
Day's High	390.00-390.50	
Day's Low	384.40-384.80	
Previous close	386.00-386.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.73	6 months	2.74
2 months	2.74	12 months	2.76
3 months	2.74		

Silver Fix	p/troy oz.	US cts equiv.
Spot	337.40	505.60
3 months	341.70	509.20
[redacted] months	346.00	513.50
1 year	354.20	522.50

Gold Coins	$ price	£ equiv.
Krugerrand	386.00-389	257-258
Maple Leaf	400.25-402.75	
New Sovereign	90-93	[redacted]

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

■ CRUDE OIL IPE ($/barrel)

Apr	13.72	+0.12	13.80	13.62	20,779	[redacted]
May	13.88	[redacted]	13.96	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	+0.08	[redacted]	[redacted]	[redacted]	155
Jul	14.27	+0.14	[redacted]	[redacted]	5,895	489
Total					103,658	[redacted]

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	[redacted]	[redacted]	48.65	48.15	48,347	21,342
Mar	[redacted]	[redacted]	[redacted]	45.70	36,824	13,690
Apr	[redacted]	[redacted]	[redacted]	44.45	[redacted]	7,049
[redacted]	[redacted]	[redacted]	[redacted]	43.90	[redacted]	1,648
Jun	44.15	+0.21	[redacted]	44.00	19,807	[redacted]
Jul	[redacted]	[redacted]	[redacted]	44.65	14,241	631
Total					196,233	[redacted]

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
[redacted]	[redacted]	[redacted]	[redacted]	142.00	33,757	[redacted]
Mar	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Apr	[redacted]	-0.75	142.25	140.75	12,375	4,084
May	141.25	-1.75	142.25	141.25	7,455	2,841
Jun	142.25	-1.25	143.25	141.50	13,480	542
Jul	144.25	-1.00	[redacted]	[redacted]	7,155	1,092
Total					[redacted]	[redacted]

■ NATURAL GAS NYMEX ([redacted])

	[redacted] price	Day's change	High	Low	Open int	Vol
Feb	[redacted]	[redacted]	[redacted]	2.250	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	2.150	[redacted]	[redacted]	5,425
[redacted]	[redacted]	[redacted]	[redacted]	2.020	16,047	[redacted]
May	[redacted]	-0.018	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7,434	1,680
Jul	1.970	[redacted]	[redacted]	[redacted]	7,775	988
Total					126,236	24,817

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	[redacted]	+0.37	[redacted]	41.75	35,617	11,528
Mar	[redacted]	+0.37	[redacted]	42.40	32,740	5,304
Apr	[redacted]	+0.17	45.65	45.30	25,514	2,011
May	[redacted]	[redacted]	[redacted]	46.10	[redacted]	[redacted]
Jun	47.00	+0.12	[redacted]	46.85	10,050	734
Jul	47.50	+0.21	[redacted]	[redacted]	2,537	81
Total					129,025	22,695

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

■ BARLEY LCE (£ per tonne)

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

■ SOYABEAN MEAL CBT (100 tons; $/ton)

■ POTATOES LCE (£/tonne)

Mar	140.0	+5.0	-	-	34	
[redacted]	[redacted]	-1.0	[redacted]	109.5	[redacted]	61
May	129.4	-1.1	129.0	128.0	738	[redacted]
Jun	130.0	-	-	-	2	
Nov	85.0	-	-	-	-	
Mar	105.0	-	-	-	-	
Total					2,724	23

■ FREIGHT (BIFFEX) LCE ($10/index point)

Jan	1263	+10	1265	1255	749	24
Feb	1280	[redacted]	[redacted]	13[redacted]	190	26
Mar	[redacted]	+17	1315	1300	[redacted]	[redacted]
Apr	[redacted]	+13	1331	1322	901	73
[redacted]	1193	+7	-	-	[redacted]	-
[redacted]	[redacted]	-	-	-	221	-
[redacted]					2,4[redacted]	192

	Close	Prev
BFI	1238	1200

WOOL

After uncertain opening prices paid, wool became firmer and closing levels yesterday were described as the highest of the week. The market indicator at 475 cents [redacted] a gain of [redacted] cents compared with the [redacted] before [redacted] Currency [redacted] over [redacted] month make wool dearer to buy for several important using countries but resistance has not been enough to undermine the market. Business in major consuming countries is still [redacted] be slow and margins are under pressure. Prices for British wool at a Scottish sale in Bradford levelled out this week after recent sharp rise, which were due to an attempt to correct an oversold position by two [redacted] individual firms.

SOFTS

■ COCOA LCE (£/tonne)

■ COCOA CSCE (10 tonnes; $/tonnes)

■ COCOA (ICCO)

■ COFFEE LCE ($/tonne)

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

■ COFFEE (ICO) (US cents/pound)

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

■ WHITE SUGAR LCE ($/tonne)

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

May	10.84	-0.11	11.[redacted]	10.90	[redacted]	[redacted]
Jul	10.88	[redacted]	11.04	[redacted]	[redacted]	604
[redacted]	[redacted]	[redacted]	11.[redacted]	10.84	15,161	684
Mar	[redacted]	-0.09	11.02	[redacted]	[redacted]	[redacted]
May	10.65	[redacted]	-	-	37	6
Total					118,[redacted]	9,610

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	69.42	-0.16	69.75	[redacted]	[redacted]	[redacted]
[redacted]	70.46	-0.39	70.80	69.85	13,930	2,589
Jul	71.30	[redacted]	[redacted]	70.65	[redacted]	[redacted]
Oct	[redacted]	-0.41	70.10	69.41	[redacted]	347
Dec	[redacted]	[redacted]	[redacted]	67.90	[redacted]	[redacted]
Mar	[redacted]	[redacted]	-	-	63	-
Total					[redacted]	[redacted]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jan	119.35	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	+1.40	[redacted]	[redacted]	[redacted]	1,504
[redacted]	[redacted]	+1.50	[redacted]	[redacted]	[redacted]	289
Jul	117.[redacted]	+1.50	117.50	113.90	[redacted]	[redacted]
Sep	118.75	+1.90	117.30	117.50	747	[redacted]
[redacted]	120.25	+1.90	117.00	116.80	180	[redacted]
Total					[redacted]	[redacted]

VOLUME DATA

Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 13	Jan 12	month ago	year ago
1674.7	1671.3	1673.9	1714.8

■ CRB (Base: [redacted])

Jan 12	[redacted]	month ago	year ago
225.43	226.30	224.83	[redacted]

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	74.125	-0.025	74.300	73.825	29,344	[redacted]
Apr	76.625	-0.100	76.750	76.400	23,479	[redacted]
[redacted]	[redacted]	+0.175	74.700	74.425	[redacted]	[redacted]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Jul	53.325	+0.100	53.525	53.175	2,907	246
[redacted]	52.080	+0.175	52.200	51.800	[redacted]	[redacted]
[redacted]	49.025	+0.225	49.280	48.950	[redacted]	108
Total					31,218	5,881

■ PORK BELLIES CME (40,000lbs; cents/lbs)

[redacted]	55.750	-0.450	56.600	55.800	5,101	[redacted]
Mar	56.425	-0.425	57.200	56.250	[redacted]	[redacted]
May	57.500	-0.425	58.320	57.500	[redacted]	327
Jul	58.400	-0.100	58.800	[redacted]	[redacted]	111
Aug	58.225	-0.325	[redacted]	58.150	[redacted]	21
Total					11,5[redacted]	3,[redacted]

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Mar	Jun	Mar	Jun
1100	[redacted]	96	12	20
1150	[redacted]	67	[redacted]	38
1200	21	43	[redacted]	63
■ COPPER (Grade A) LME	Mar	Jun	Mar	Jun
1750	67	100	35	49
1800	42	78	59	72
1850	24	82	91	100
■ COFFEE LCE	Mar	May	Mar	May
1150	[redacted]	[redacted]	20	[redacted]
1200	36	69	40	71
1250	21	50	73	102
■ COCOA LCE	Mar	May	Mar	May
875	56	79	16	30
900	40	64	[redacted]	[redacted]
925	28	52	38	[redacted]
■ BRENT CRUDE IPE	Mar	Apr	Mar	Apr
1400	30	[redacted]	-	76
1450	[redacted]	-	-	-
1500	-	20	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) +or-

Dubai	[redacted]	[redacted]
Brent Blend (dated)	[redacted]	[redacted]
Brent Blend (Feb)	$13.52-3.55	[redacted]
W.T.I. (1pm est)	[redacted]	[redacted]

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$144-146	
Gas Oil	[redacted]	[redacted]
Heavy Fuel Oil	[redacted]	
Naphtha	$127-130	
Jet Fuel	[redacted]	+2.5

Petroleum Argus Estimates

■ OTHER

Gold (per troy oz)♣	[redacted]	[redacted]
Silver (per troy oz)♣	520.5c	+11
Platinum (per troy oz.)	$385.75	[redacted]
Palladium (per troy oz.)	$123.50	[redacted]
Copper (US prod.)	85.0c	
Lead (US prod.)	35.00	-1.13
Tin (Kuala Lumpur)	12.76r	[redacted]
Tin (New York)	224.50	[redacted]
Zinc (US Prime W.)	[redacted]	
Cattle (live weight)†	122.72p	[redacted]
Sheep (live weight)†♣	96.43p	[redacted]
Pigs (live weight)	[redacted]	+2.13*
Lon. day sugar (raw)	[redacted]	
Lon. day sugar (wte)	$290.8	+1.9
Tate & Lyle export	£284.0	-0.5
Barley (Eng. feed)	[redacted]	
Maize (US No3 Yellow)	[redacted]	
Wheat (US Dark North)	£185.0	+10
Rubber (Feb)♥	80.50p	
Rubber (Mar)♥	80.75p	
[redacted] RSS No1 Feb)	[redacted]	+1.5
Coconut Oil (Phil)§	[redacted]	+12.5
Palm Oil (Malay.)§	$392.5t	+15
Copra (Phil)§	$400.0	[redacted]
Soyabeans (US)	£203.5	[redacted]
Cotton 'A' Index	67.55c	[redacted]
Wooltops (64s Super)	344p	-3

[redacted] per tonne unless otherwise stated. p pence/kg. [redacted] cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan w Feb. [redacted] Jan/Mar. v Sep/Oct. t Apr/Jun. x Mar/Apr. ♥ London Physical. [redacted] CIF Rotterdam. ♣ Bullion market close. ♣ Sheep (Live [redacted] prices). * Change on week, provisional prices.

CROSSWORD

No.8,353 [redacted] by HIGHLANDER

ACROSS
1 The sauce animal artist put on food (11)
7 Drug container (3)
9 Sketch medical man at the back (5)
10 To get away quickly make a stroke and score (3,3,3)
11 Broadcast noise about 10 by 10 amplification (9)
12 Plunge into river on first of September (5)
13 Ian follows farm animal, working for member of University (7)
15 Zealous student pulls round (4)
18 Criticise a lot of tricks (4)
20 Crooned song about Spanish drink [redacted]
23 Rear and central section of shop first (5)
24 Without [redacted] I'd blunder off (9)
26 Withdrew from area covered by grass (9)
27 Reason book of records with one caught on (5)
28 Rail area in transport [redacted] work (3)
29 [redacted] innovator without beginning to campaign politically (11)

DOWN
1 He had [redacted] moved round to field boundary [redacted]
[redacted] Response [redacted] Racine translation (8)
3 Half [redacted] each quantity consumed (5)
4 For sale: case containing uranium (7)
5 Measure to be followed by nurses is resolved (7)
6 Manual workers get blue easily (5,4)
7 Turn up, sure to be disturbed by hunt (5)
8 Offer money for small boat (6)
14 Uncomfortable trouble with a tantalising person (3,2,4)
16 Professional record heard in introduction (8)
17 Parking with a vehicle used by police patrols (5,3)
19 Policeman overseas set free after a short time (7)
[redacted] In [redacted] graduate [redacted] to [redacted] newspaper work (7)
21 Young beast has grabbed her innocent child (6)
22 [redacted] in better health (6)
25 House starts illustrate [redacted] ham's [redacted] of oversupply (5)

Solution 8,352

CATTLEDEALER / MARBLES TONSURE / TENOR CREOSOTE / UNMANNERLY ASIA / CAPE TELESCOPES / LARYNGES UPPER / EJECTED WARLOCK / UNDIMINISHED

JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Shares rally following good company results

By Terry Byland,
UK Stock Market Editor

The setback to base rate optimism continued to overhang equities in London yesterday, but shares rallied from a potentially [illegible] level to close well above the [illegible] in spite of losses in other European bourses.

London also brushed off a [illegible] opening to the new Wall Street session as Federal bonds declined following the latest data on US retail sales. "There was no question of heavy selling in London," was the comment from the dealing room of a leading international house.

At the market opening, UK stocks gained more than 11 points on the [illegible] an unexpectedly [illegible] performance in New York overnight encouraged bargain hunters. However, [illegible] were quickly wiped out on signs that [illegible] were sellers of American Depositary Receipts (ADRs) [illegible] UK blue chips.

The gain on the Footsie was soon turned into a fall which ranged to just over 15 points. This brought the index [illegible] 3,356.9, focusing attention on the [illegible] mark, which has been identified as the nearest defence line.

Consequently, [illegible] were heartened when, with the [illegible] still barely under way, shares began to rally.

The market was helped by good trading figures from TSB bank [illegible] from Rank Organisation, [illegible] industry group.

[illegible] halved, until Wall Street opened lower. By the close of business in London, [illegible] Industrial Average was [illegible] by 11 points.

Account Dealing Dates		
*First Dealings:		
Jan 4	Jan 17	Jan 31
Option Declarations:		
[illegible] 13	Jan 27	Feb [illegible]
Last Dealings:		
Jan 14	Jan 28	Feb 11
Account Day:		
Jan 24	Feb 7	Feb 21

*New time dealings may take place from two business days earlier.

The final reading on the FT-SE Index of 3,360, [illegible] 12 points, was regarded [illegible] a good performance in view of the sharp setbacks [illegible] Germany and elsewhere in Europe. [illegible] strategists [illegible] that the flow of [illegible] investment cash towards European markets may be slackening as global funds take a [illegible] positive view [illegible] Japan.

The rally in the blue chip stocks was accompanied by a strong resumption [illegible] support across [illegible] market's second line issues. At its closing reading of 3,882.1, the FT-SE Mid 250 Index [illegible] gain of 17.5.

Non-Footsie business remained high, making up some 60 per cent of the day's [illegible] of 899.1m shares. On Wednesday, Seaq volume of [illegible] brought £1.8bn in retail worth, fully maintaining [illegible] market's run of profitable trading levels.

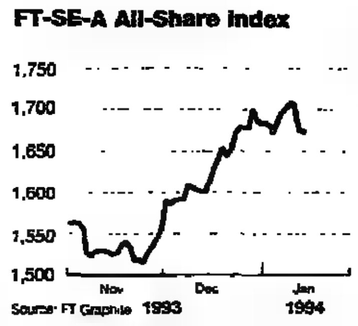
The profits and dividend [illegible] from TSB [illegible] warmly received in the [illegible] market, providing a [illegible]vincing opening [illegible] the final 1993 results [illegible] which [illegible] eagerly [illegible] for signs that economic recovery is showing through at [illegible] bottom line on corporate trading [illegible].

The same was true of the trading statement from Rank Organisation, and both announcements [illegible] followed by a [illegible] of favourable sector forecasts from market analysts.

Today brings the end of a [illegible] trading [illegible] UK equities which has [illegible] share prices in London and across Europe give [illegible] some of the more exuberant gains chalked [illegible] over the Christmas period.

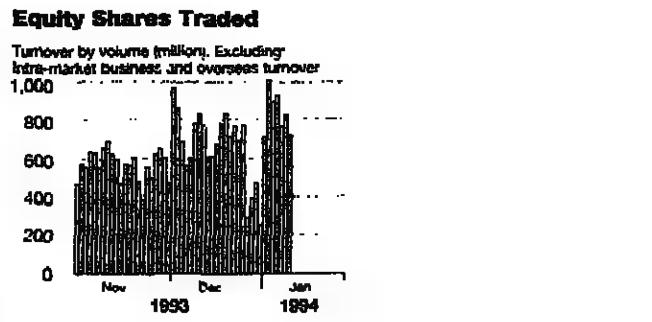
A technical bout of profit-taking [illegible] expected in London [illegible] traders are not yet convinced that the postponement of [illegible] hopes has [illegible] any more serious threat. Equity analysts [illegible] prepared [illegible] wait until spring for [illegible] rate move, [illegible] some pointed out yesterday that sterling's strength against [illegible] DM could provide a further [illegible] trimming UK interest [illegible].

FT-SE-A All-Share Index



Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



■ Key Indicators

Indices and [illegible]

FT SE [illegible]	[illegible]	-12.0	FT Ordinary index	2577.4	+3.2
[illegible] 250	3882.1	+17.5	FT-SE-A Non Fins p/e	22.05	[illegible]
FT-SE-A 350	1689.4	-2.9	FT-SE 100 Fut Mar	3368.0	-16.0
FT-SE-A [illegible]	1673.12	-2.74	[illegible] yr Gilt [illegible]	6.33	[illegible]
FT-SE-A All-Share yield	[illegible]	[illegible]	Long gilt/equity yld [illegible]	2.01	2.00

Best performing [illegible]		Worst performing sectors	
1 Retailers, Food	+1.3	1 Gas Distribtion	-2.0
2 Printing, Paper & Pckg	+1.1	2 Oil, Integrated	-1.5
3 [illegible]	+1.1	3 Tobacco	-1.5
4 Water	+1.1	4 Mineral Extraction	-1.5
5 Leisure & Hotels	+1.0	5 Extractive Inds.	-1.4

Nervous pressure on oils

Leading [illegible] came under growing selling [illegible] institutions [illegible] persistent [illegible] in crude oil prices [illegible] the forthcoming privatisation of Elf Aquitaine, [illegible] French [illegible] oil group.

Oil specialists said there were [illegible] signs of US selling in the "majors" in [illegible] sessions, partly because [illegible] on crude oil prices but, [illegible] importantly, [illegible] the big US [illegible] funds begin [illegible] reshape [illegible] non-US oil portfolios to accommodate Elf's flotation. The [illegible] Elf [illegible] around [illegible] $5bn, according to market specialists.

"[illegible] undeniable [illegible] will be priced [illegible] go," [illegible] one oil analyst. He [illegible] BP [illegible] Shell would be the non-US [illegible] vulnerable to US selling. BP lost 3 to [illegible] and Shell [illegible] to 710p.

TSB strong

The [illegible] was electrified by [illegible] better [illegible] expected preliminary figures from TSB, the first of the UK high [illegible] to report [illegible].

TSB shares, [illegible] consistently underperformed [illegible] and the market, surged [illegible] profits and dividend [illegible] market, ending [illegible] stronger at 267p, after touching a record 273p.

Turnover of 47m shares [illegible] matched the stock's [illegible] in October [illegible] changed [illegible]. The activity [illegible] by a placing of [illegible] at 264p, [illegible] have been executed by NatWest Securities. Blocks of TSB shares [illegible] placed at [illegible] as the market closed.

Dealers [illegible] *the driving* [illegible] behind the share price [illegible] the [illegible] dividend increase, which outstripped the market's [illegible] expectations of around [illegible] per cent. Analysts [illegible] now expecting dividend [illegible] of [illegible] per [illegible] in subsequent years. Current [illegible] forecasts [illegible] hoisted to between [illegible] £450m, [illegible] to [illegible].

The TSB figures [illegible] as indicating a sector-wide rerating of banks, with Abbey National [illegible] main beneficiary. Abbey [illegible] leapt [illegible] a record 510p before closing 21 [illegible] at 507p on turnover [illegible] 11m.

"Abbey responded [illegible] good [illegible] business, the widespread feeling [illegible] and perceptions [illegible] it is more geared to [illegible] recovering housing/mortgage market," [illegible] banks analyst. He [illegible] the market had upgraded its dividend expectations for Abbey following [illegible] figures.

Reuters bounces

A much-vaunted deal [illegible] Reuters Holdings [illegible] Citicorp to acquire [illegible] latter's Quotron equity dealing system in the [illegible] announced yesterday [illegible] Reuters [illegible] price bounce 28 to 1853p in a lifeless market.

[illegible] analysts welcomed [illegible] deal and Mr Alastair [illegible] of [illegible] house Lehman Brothers [illegible] Citicorp's [illegible] it proposed [illegible] "guarantee certain operating losses" suggested [illegible] Citicorp might actually pay Reuters to [illegible] a business estimated [illegible] have [illegible] $50m in [illegible]. "Assuming completion [illegible] right price, this represents [illegible] excellent deal for Reuters," [illegible] Mr [illegible].

Mr Paul Norris of [illegible] said: "This [illegible] the [illegible] piece in a golden jigsaw of acquiring domestic equity real time information [illegible] a terrific move for Reuters. I can see the [illegible] hitting 2000p over the next month."

The first whisper [illegible] *Quotron deal, which is* [illegible] only agreed in principle, came just before Christmas and sent the shares up [illegible].

[illegible] group Wellcome was hit [illegible] negative stories. The most bearish [illegible] formal launch by SmithKline Beecham [illegible] new drug in the UK. Famvir, a [illegible] shingles, [illegible] competitor [illegible] Wellcome's key product, Zovirax. Although fears [illegible] price [illegible] were dispelled recently when SmithKline priced [illegible] only marginally lower than Zovirax, *bearish analysts said* [illegible] - three tablets a day compared with five for Wellcome's product - would undermine Zovirax sales. SmithKline also [illegible] its product [illegible] clinical advantages.

There was also [illegible] of legal action in the [illegible] against Wellcome, which [illegible] the anti-[illegible] AZT [illegible] Retrovir. Finally, revelation that results [illegible] year's massive French study [illegible] AZT are [illegible] be published in the Lancet medical journal shortly renewed [illegible] the drug's reputation.

[illegible] shares dropped 24 [illegible] while SmithKline [illegible] "A" advanced [illegible] 407p. SmithKline further benefited from a recommendation by Kleinwort Benson [illegible] switch [illegible] which [illegible] 17½ [illegible] 825p.

[illegible] well [illegible] of market expectations [illegible] Organisation smartly forward [illegible] analysts optimism [illegible] leisure [illegible] on [illegible] for recovery. Rank reported improvements in [illegible] of [illegible] divisions and [illegible] optimistic [illegible] prospects for 1994. Leisure analysts upgraded forecasts, with NatWest [illegible] £321m and Credit Lyonnaise [illegible] £340m, excluding a one-off £36m charge for Rank Xerox.

The Rank [illegible] follow similar outperformance this week by [illegible], the [illegible] groups, and [illegible] figures from First Lesiure, [illegible] ten-pin bowling [illegible] nightclub [illegible] Mr [illegible] at Smith [illegible] Court, [illegible] yesterday [illegible] Rank [illegible] "buy", said: "The [illegible] is at last turning. The upturn [illegible] unlikely to be dramatic, [illegible] these levels selected [illegible] undemanding." Rank shares jumped [illegible] to 1001p, First Leisure 19 [illegible] 310p and [illegible] 3 [illegible] 78p.

Drugs group Medeva [illegible] 14 [illegible] 156½p as the [illegible] Food and Drug Administration rehabilitated [illegible] subsidiary, [illegible] after warning that it did not [illegible] production standards.

There [illegible] several strong movements [illegible] retailing and manufacturing stocks as investors continued [illegible] hunt [illegible] bargains. Hillsdown Holdings [illegible] 184p following meetings with analysts [illegible] Wednesday. [illegible] and Lyle put [illegible] 17½ [illegible] 446½p after a presentation by a [illegible] manufacturer boded well for [illegible] of the [illegible] group's American operations.

[illegible] world's biggest mining group [illegible] fell [illegible] 813p as a surplus of [illegible] in the market was compounded by worries [illegible] price of [illegible].

GKN resisted the impact of a [illegible] Govett downgrade, the shares losing a penny [illegible] 568½p. The broker trimmed its forecast by [illegible] £92m.

Trafalgar House eased [illegible] 95p [illegible] Bank Corporation said [illegible] ordinary stock [illegible] overvalued.

MARKET REPORTERS:
[illegible] Price,
Joel Kibazo, Peter John,
[illegible] Thompson.

■ Other statistics, Page 25

NEW HIGHS AND LOWS FOR [illegible]

NEW HIGHS (201).
BANKS (4) Anglo Irish, Bank Ireland, TSB, Westpac, BREWERIES (3) Eldridge Pope A, Fuller STA., Scott. & Newcastle, BUILDING & CNSTRN (8) BLDG MATLS & MCHTS (14) CHEMICALS (7) DISTRIBUTORS (8) DIVERSIFIED INDLS (2) Powell Duffryn, TT, ELECTRNC & ELECT EQUIP (8) Consol Techs., Copymore, Dowding & Mills, Druck, Kenwood Appliances, Psion, ENGINEERING (10) ENG, [illegible] (3) BBA, Dq Pt., First Tech., Trinity, Volvo B, EXTRACTIVE INDS (8) FOOD MANUF (5) HEALTH CARE (3) Ferraris, Takare, Westminster Healthcare, HOUSEHOLD GOODS (3) Airsprung, Osborne & Little, Walker Greenbank, INSURANCE (1) PWS, INVESTMENT TRUSTS (13) INVESTMENT COMPANIES (8) LEISURE & HOTELS (8) LIFE ASSURANCE (1) Irish Life, MEDIA (12) MERCHANT BANKS (1) Singer & Friedlander, OIL EXPLORATION & PROD (1) Kelt Energy, OTHER FINANCIAL (12) OTHER SERVS & BUSNS (5) Bailey (CH), Calderburn, Gt. Southern, Pianotorch, UDO, PRTNG, PAPER & PACKG (12) PROPERTY (13) RETAILERS, GENERAL (8) SPIRITS, WINES & CIDERS (2) Highland Dists. 20p, Matthew Clark, SUPPORT SERVS (7) TELECOMMUNICATIONS (3) Securicor, Do N/V, Security Servs., TEXTILES & APPAREL (2) Alexandra Workwear, Hamlet, TRANSPORT (3) Goode Durrant, IoM Steam, Irish Contl., WATER (1) Bristol Water, AMERICANS (4) Bethlehem Steel, Echlin Inc., Lowe's, Varity Corp., CANADIANS (2) Brascan, Can Pac. 4pc Db.
NEW LOWS (16).
[illegible] (3) Treas. [illegible] 3/4pc '95, Treas 14pc '96, Treas. [illegible] 1/4pc '96, BLDG MATLS & MCHTS (1) Atreus, [illegible] (2) Ferrum, Neotronics Tech, HEALTH CARE (2) Haemocell, Shield Diags., INVESTMENT TRUSTS (1) BZW [illegible] Fd., OIL EXPLORATION & PROD [illegible] Ind [illegible], OTHER SERVS & BUSNS (2) Photo-Me, Platignum, RETAILERS, FOOD (1) Geest, RETAILERS, GENERAL (1) Brown & Jackson, TEXTILES & APPAREL (1) Campari.

EQUITY FUTURES AND OPTIONS TRADING

The derivatives sector remained in the doldrums as traders continued to reflect [illegible] the poor prospects for a reduction in UK interest rates in the near term, *writes Joel Kibazo.*

The opening level of the March contract on the FT-SE 100 index at 3,394 was again disappointing and put paid [illegible] initial hopes [illegible] attracting buyers. Following a mid-morning [illegible] day's [illegible] 3,359, dealing [illegible] steadied to trade in a narrow range of 3,360 and 3,375, although [illegible] buyers remained few and far between.

However, the decline in the US bond market following [illegible] release of US consumer and retail prices [illegible] put paid to [illegible] hopes of a [illegible] recovery in [illegible] afternoon. That [illegible] and the subsequent poor performance [illegible] Wall Street hit [illegible] UK [illegible] income markets once again, bringing a big sell-off in [illegible] which also helped drag the underlying [illegible] market lower.

At the close, March [illegible] 3,370, [illegible] premium [illegible] cash of around 13 points. Volume [illegible] 17,235 [illegible] official close [illegible] 2,000 lots were traded in after-hours' trading.

Turnover in the traded options [illegible] healthy [illegible] contracts, although [illegible] from Wednesday's impressive [illegible] lots. In the index options, some 14,207 [illegible] dealt in the FT-SE 100 option [illegible] 2,958 [illegible] carried out in the Euro FT-SE option.

Lasmo [illegible] the most heavily traded [illegible] option at 2,434 [illegible] closely followed by Abbey National at 2,247 [illegible] TSB, Land Securities and Tesco were [illegible] stock options [illegible] actively traded.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3394.5	[illegible]	-18.0	3396.0	3359.0	19923	56315
Jun	3390.0	3381.0	-18.0	[illegible]	[illegible]	84	4767
Sep	-	[illegible]	-18.0	-	-	0	200

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3358) £10 per full index point

[illegible]

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

FT - SE Actuaries Share Indices — The UK Series

[illegible]

■ FT-SE Actuaries All-Share

[illegible]

■ Hourly movements

[illegible]

■ FT-SE Actuaries 350 Industry baskets

[illegible]

TRADING VOLUME

■ Major Stocks yesterday

	Vol. 000s	Closing price	Day's change
ASDA Group†	[illegible]	[illegible]	-½
Abbey National†	[illegible]	[illegible]	+21
[illegible]	[illegible]	67	
Allied-Lyons†	[illegible]	[illegible]	-14
Anglian Water†	575	[illegible]	+7
Argos	909	379	+6
Argyll Group†	[illegible]	298	[illegible]
Arjo [illegible]	2,600	269	+6
Assoc. [illegible] Foods	112	570	-1

[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	0	64	14
Other Fixed Interest	1	0	14
Mineral Extraction	38	81	89
General Manufactures	147	165	372
Consumer Goods	49	43	102
Services	149	89	288
Utilities	26	10	10
Financials	73	114	208
Investment Trusts	31	234	200
Others	37	48	47
Totals	551	848	1342

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amount paid up	Mkt. cap (£m.)	1993/94 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
[illegible]	F.P.	[illegible]	[illegible]	100	[illegible] C	100½		-	-	-	-
100	F.P.	28.6	[illegible]	92	Abtrust Lloyds	95½		-	-	-	-
100	F.P.	[illegible]	110	[illegible]	[illegible]	110		-	-	-	-
§155	F.P.	[illegible]	[illegible]	176	[illegible]	[illegible]	-2	[illegible]	-	3.7	-
260	F.P.	[illegible]	320	[illegible]	DFS Furniture	319		[illegible]	3.1	2.5	-
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible] Eur Sm	98		-	-	-	-

[illegible]

† Introduction. § Placing price. ¶ F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

[illegible]

Ordinary Share hourly changes

[illegible]

† Excluding intra-market business and overseas turnover.

TRADITIONAL OPTIONS

First Dealings [illegible] Jan. 10 — Last Declarations April 7
Last Dealings [illegible] 21 — For settlement April 18

Calls: Alphameric, Arcon Intl., Ashley (Laura), Brit. Thornton, Cannon St Invs., Carlisle Grp., Celsis, [illegible], Leisure, Crossroads, Ennex Intl., Fleming Jap. Wts., Kelis Minerals, GEC, Ladbroke, Nat. Home Lns., Pires Res., TSB, Tadpole Tech. Puts: Brit. Thornton, Celsis, Crossroads. Puts & Calls: Rhino, Tiphook.

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	□	£24½	+½	£25¼	£18¼	6,706	4.3	12.8
ANZ A$	□	223½	-¼	238½	130	2,925	4.1	ф
Abbey National	†□	507	+21	524	345	6,646	2.9	19.5
Allied Irish I£	‡†□	307	-1	314	179	2,021	3.4	15.7
Anglo Irish I£	□	69xd	+1	*69	28	167.9	6.1	ф
Asahi Y	□	628	-15¼	844	415	14,572	0.7	-
Banco Bil Viz Pta	□	£14½	-⅛	£17⅞	£7¾	3,316	5.7	6.5
Banco Sant Pta		£29½	---	£36	£24½	3,326	4.4	11.4
Bank Leumi (UK)		375	---	375	325	28.8	5.7	-
Bk Ireland I£	□	312	-6	*319	177	1,467	4.0	23.0
Bank Scotland	‡†□	221	+2½	240½	116½	2,565	2.8	30.0
9¼pc Pf		137	-1¼	140¾	117¼	137.0	8.4	-
9¼pc Pf		144	-1½	147¼	123½	144.0	8.5	-
Barclays		584	-½	602	362	9,634	2.6	-
Dai Ichi Kan Y	□	£10⅞	-⅛	£16⅞	£8⅞	33,003	0.5	58.5
Deutsche DM	□	£316⅞	-7½	£348⅞	£290½	15,070	1.9	-
Espirito Santo		£24⅞	-⅛	£24⅞	£16½	258.2	3.3	5.8
First Nat Fin	□	[illegible]	+1½	*95	45	118.5	2.6	ф
6.3pc Cv Pf		[illegible]	---	*91	55	6.86	9.1	-
7pc Cv Pf		138xd	+2½	167½	106	65.5	6.3	-
Fuji Bank Y	□	1162½	-15¾	1651	876	38,388	0.5	-
HSBC HK	†□	895	-9	1007	474	15,277	2.8	21.4
HSBC (75p Shs)	†□	882	-9	987	490	7,241	2.8	21.1
Lloyds	†□	627	+3	690	492	8,090	3.8	17.8
Mitsubishi Y	□	£15⅞	-⅛	£19¼	£11⅛	45,728	0.3	-
Mits Tst & Bk Y	□	734¼	+5¼	1012½	462½	9,568	0.7	11.8
Mitsui Tst & Bk Y	□	985¼	-3½	862	374	6,780	0.9	19.3
Nat Aust A$	□	568½	-3	576¼	322	7,471	4.0	ф
NatWest	†□	582	-3	634	398	9,872	3.8	35.4
Ottomane FFr		£32	---	£32½	£23¼	160.0	4.7	9.4
Ryl Bk Scotland		446xd	-3	470	207	3,565	3.1	20.3
Sakura Y	□	£8⅛	-⅛	£11	£5¼	28,784	0.8	54.2
Sanwa Y	□	£11⅛	-⅛	[illegible]	£7¼	34,450	0.4	-
Standard Chartd	†□	1154	-7	[illegible]	578	2,749	2.2	-
Sumitomo Y	□	£11⅛	---	[illegible]	£8⅞	36,587	0.5	25.2
Sumitomo Tst Y	□	699¼	-8½	987½	437½	8,696	0.8	54.8
TSB	□	267	+15	272½	145½	4,053	3.7	20.7
Tokai Y	□	£8⅛	-⅛	£885¼	£4¾	13,869	0.8	45.0
Toyo Tst & Bk Y	□	825	-15¼	840	411	4,913	0.8	55.7
Westpac A$		215xd	+2	218	121	3,769	2.9	ф
Yasuda Tst Bk Y	†□	454¼	-12¾	690	343	5,016	1.1	40.5

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

هكذا صنعو الأصل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

SPIRITS, WINES & CIDERS - Cont.

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

GUIDE TO LONDON SHARE SERVICE

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

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AUTHORISED UNIT TRUSTS

Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's

AIB Unit Trust Managers Limited (1000)F

AXA Equity & Law Unit Tst Mngrs (1200)H

Capel-Cure Myers UT Mngt Ltd - Contd.

Capital House Unit Tst Mgrs (1200)F

Fidelity Investment Servs Ltd - Contd.

Granville Unit Tst Mngmt Ltd (0659)F

Guardian Royal Ex Unit Mgrs Ltd (1000)F

Guinness Flight Unit Tst Mgrs Ltd (2400)F

L & C Unit Tst Mngmt Ltd (0905)F

Laurence Keen Unit Trust Mngmt (1300)F

Laurentian Unit Tst Mngmt Ltd (1200)H

Lazard Unit Tst Mngrs Ltd (1200)F

Mercury Fund Managers Ltd - Contd.

Perpetual Unit Tst Mngmt - Contd.

Pilgrim Unit Trust Mngmt Ltd (0830)F

Pointon York UT Mngrs (0800)F

Portfolio Trust Mngrs Ltd (0900)F

Schroder Unit Trusts Ltd (1400)F

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, *the bid price might be moved to the cancellation* price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: [illegible]

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INSURANCES

OTHER UK UNIT TRUSTS

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Royal Heritage Life Assurance Ltd - Contd.

INVESCO MIM	Bid Price	Offer Price	+ or -	Yield Gross
European Smaller	186.4	196.3	-1.3	-
Sth & East Asia Gwth	364.3	383.5	-7.8	-
Inc Growth	330.6	348.0	-1.3	-
Japan Smlr Cos	245.2	258.2	+2.6	-
Man Growth	262.5	276.4	-1.2	-
Gilt	89.1	93.8	---	-
Perpetual Funds				
International Growth	176.2	184.5	-0.8	-
American Growth	229.0	238.9	+0.4	-
Intl Emerging Cos	264.1	278.0	-2.4	-
European	201.9	212.6	-0.9	-
Managed	203.1	213.8	-0.9	-

Royal Life Insurance Ltd

New Hall Place, Liverpool L69 3HS 051-239 3000

	Bid Price	Offer Price	+ or -	Yield Gross
Royal Shield Fd.	971.0	1027.5	---	-
Royal Life (Unit Linked Assurances) Ltd				
Managed Fund	387.6	407.9	-2.6	-
Equity Fund	558.6	587.8	-4.2	-
Property Fund	306.3	322.4	---	-
International Fund	476.4	501.4	-4.0	-
Gilt Fund	382.2	402.3	-0.4	-
Money Fund	216.6	227.9	---	-
United States Fund	255.0	268.4	-0.3	-
Pacific Basin	294.3	309.7	-4.0	-
Royal Life (Unit Linkd. Pension Fds) Ltd				
Exempt Man Fd Acc	475.9	500.9	-4.0	-
Exempt Equity Fd Acc	836.1	880.1	-4.0	-
Exempt Prop Fd Acc	315.2	331.7	-0.1	-
Exempt Intl Fd Acc	779.6	820.6	-8.1	-
Exempt Gilt Fd Acc	456.0	479.9	-0.5	-
Exempt Money Fd Acc	296.9	312.5	---	-

Royal Liver Assurance

Royal Liver Building, Liverpool, L3 1HT. 051-236 1451

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity	81.8	85.9	---	-
Global Equity	81.2	84.4	---	-
High Yield	79.9	84.1	---	-
Intl Equity	88.7	93.3	---	-
Fixed Interest	82.7	87.0	---	-
Money	75.9	79.9	---	-
Managed	83.1	87.5	---	-

Scottish Widows' Group

PO Box 902, Edinburgh EH16 5BU 031-655 6000

	Bid Price	Offer Price	+ or -	Yield Gross
Inv Pol 1 Jan 7	983.0	993.0	---	-
Inv Pol 2 Jan 7	904.4	952.1	---	-
Inv Pol 3 Jan 7	868.2	914.0	---	-
Inv Pol Cash Ser 2 Jan 7	304.7	320.9	---	-
Inv Pol Cash Ser 3 Jan 7	300.5	316.8	---	-
Mixed Fund	463.4	488.0	-1.8	-
Equity Fund	550.8	579.9	-1.1	-
Property Fund	224.4	236.3	---	-
International Fund	491.1	517.1	-4.4	-
Fixed Int. Fund	401.3	422.5	-0.3	-
Index Stk. Fd.	210.3	221.5	-0.7	-
Cash Fd.	221.7	233.5	---	-
Pens. Mixed Fd. Ord.	622.3	655.2	-1.7	-
Pens. Equity Fd. Ord.	744.5	783.8	+0.4	-
Pens. Prop. Fd. Ord	304.4	320.6	+0.1	-
Pens. Intl. Fd. Ord.	637.8	671.2	-6.3	-
Pens.Fxd.Int.Fd.Ord.	600.9	632.7	-0.3	-
Pens.Ind.Stk.Fd.Ord.	247.8	260.9	-1.0	-
Pen. Cash Fd. Ord.	338.6	356.6	+0.1	-
Building Society	097.5	102.7	---	-
PM Man	3000.1	3000.1	-84.8	-
PM St Eq	3190.3	3190.3	-88.7	-
PM St Ex Eq	138.4	138.4	-3.9	-
PM St Ex Fi	151.6	151.6	-0.9	-
PM Property	279.7	279.7	---	-
PM Pens Protection	214.0	214.0	-0.1	-
PM IL Protection	132.0	132.0	-0.3	-
PM Cash	386.1	386.1	---	-

Skandia Life Assurance Co Ltd (z)

Skandia Hse, Portland Terr, Southampton 0703 334411

Skandia Valuation Line 0800 161 398

Life Managed Funds	Bid Price	Offer Price	+ or -	Yield Gross
Skandia Cautious	147.4	155.1	-0.2	-
Skandia Balanced	382.8	402.7	-2.8	-
Skandia Distribution	118.6	124.8	+0.1	-
Skandia Ethical Selection	123.7	130.2	-0.3	-
Skandia Deposit	258.8	271.5	---	-
Abtrust Managed	133.2	140.2	-1.3	-
Barings Managed	145.5	153.1	-1.3	-
CU Managed	247.2	260.2	-1.5	-
Fidelity Managed	208.7	219.8	-1.4	-
Fleming Managed Inv Tst	148.2	156.0	-2.2	-

Target Life Assurance Co Ltd

The Exchange, 66 High St, Aylesbury, Bucks HP20 1SE

Life Funds	Bid Price
Managed	[illegible]
Managed Growth	[illegible]
Managed Opportunity	[illegible]
Property	[illegible]
Residential Property	94.2
Fixed Int.	[illegible]
Deposit	[illegible]
Financial Series 1	50.2
Financial Series 2	[illegible]
Equity	[illegible]
Gold & General	65.6
TSB American	[illegible]
TSB British Growth	[illegible]
TSB European	[illegible]
TSB Income	[illegible]
TSB International	[illegible]
TSB Intl Income	[illegible]
TSB Pacific	[illegible]
TSB Premier Income	[illegible]
Pension Funds	
Managed	[illegible]
Managed Growth	[illegible]
Managed Opportunity	[illegible]
Gilt	[illegible]
Index-Linked	[illegible]
Guaranteed	[illegible]
Deposit	[illegible]

Prices quoted are for Accumulation units

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

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	Bid Price	Offer Price	+ or -	Yield Grs
Citibank - Contd.				
Bond Funds				
HYB (A) Jan 10	$90772.7828		—	—
Special Assets (B) Dec 1	FF(1180).3190		—	—
Citibank N.A.				
Libra 2000 Nov 30	$139.28		—	—
Libra 2000 Intl Nov 30	$138.25		—	—
Coutts & Co (Jersey) Fund Managers Ltd				
Income	$14.46	14.914	—	1.26
Capital	$22.79	23.484	—	—
Fleming Group				
Cash & Stock NAV Dec 31	$10.06		—	—
Deutschland NAV Dec 31	DM17.00		—	—
Foreign & Colonial Mngmt (Jersey) Ltd				
US$ Cash	$11.177		—	—
Sterling Cash	£13.326		+0.002	—
US$ Bonds	$17.142		-0.039	—
Multicurrency Bonds	$22.624		-0.061	—
Sterling Bonds	£17.694		-0.061	—
D Mark Bonds	DM13.009		-0.018	—
European Bonds	Ecu14.971		-0.023	—
UK Equities	£14.624		-0.140	—
US Equities	$10.644		-0.098	—
Japanese Equities	Y620.3		+7.0	—
Cont Euro Equities	DM21.135		-0.381	—

	Init Chge	Canc Price	Bid Price	+ or -	Yield Grs
CMI Asset Management - Contd.					
Japan Index Tracking	Y-		780	-26	—
UK Eqty Index Tracking	£-		7.305	+0.028	2.06
US Eqty Index Tracking	$-		13.217	-0.083	1.05
German Bond	DM-		24.017	+0.272	5.48
Japanese Bond	Y-		1711	-3	3.60
Swiss Bond	SFr-		22.822	-0.049	3.93
UK Bond	£-		7.006	-0.079	6.73
US Bond	$-		11.966	-0.022	5.74
Stlg Currency Reserve	£-		5.0078	+0.001	4.91
US Dlr Currency Reserve	$-		10.0080	-0.012	2.45
Comgest SA					
Comgest SICAV	SFr-		1237.13	—	—
Commercial Union Luxembourg SA (u)					
Monthly Income	£-		1.2446		7.65
Private Client Mgd	$-		1.3705		—
Far Eastern Grth	$-		2.9400		—
American Grth	$-		2.4427		—
European Grth	Ecu-		2.4144		—
Japanese Grth	Y-		136		—
UK Growth	£-		1.3146		—
Italian Grth	L-		1711		—
Spanish Grth	Pta-		214		—
Dutch Grth	DM-		6.5844		—
Belgian Grth	BFr-		115		—
French Grth	FFr-		11.0030		—
German Growth	DM-		2.6880		—
Green	$-		1.6385		—
Gold Share	$-		1.3815		—
Emerging Countries	$-		2.3549		—

Lloyds Bank Luxembourg

1, Rue Schiller, Luxembourg

Lloyds International Portfolio

ISLE OF MAN

JERSEY

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

$ soars on D-Mark

The dollar [illegible] against the D-Mark yesterday on the back of better-than-expected US retail figures and fresh gloom about the [illegible] of the German [illegible], [illegible] *Tett*.

In spite of Bundesbank intervention, the American currency broke through its [illegible] high [illegible] DM1.7480, ending at DM1.752 in London, up nearly [illegible] pfennigs on the DM1.732 levels that it had traded [illegible] in overnight markets in Tokyo. The dollar's [illegible] also dragged sterling up [illegible] a new [illegible] month high against the D-Mark, which weakened [illegible] Europe yesterday.

■ The [illegible] against [illegible] D-Mark [illegible] early in European trading, following the [illegible] of more German job losses. Coupled with retail figures, which indicated that West German retail sales in November had fallen by [illegible] per cent in November, the data fuelled [illegible] market's increasingly negative sentiment towards [illegible] D-Mark.

However [illegible] the publication of [illegible] US retail [illegible] figures and Consumer Price Index [illegible] triggered the most dra[illegible] jump.

Although the [illegible] per cent rise in the December US [illegible] broadly in [illegible] with expectations, [illegible] in [illegible] sales [illegible] than market forecasts [illegible] ninth consecutive monthly rise in [illegible] sales, and contributed to [illegible] growth of [illegible] per [illegible] largest [illegible] four years.

Shortly [illegible] the publication of [illegible] figures [illegible] 1.30pm the [illegible] rumoured [illegible] to hold [illegible] down [illegible] European markets, which [illegible] fairly steady during [illegible] morning, trading around DM1.7370.

However, [illegible] release of the figures prompted the dollar into [illegible] 1½ pfennig rise against [illegible] D-Mark, taking it briefly above DM1.7510. An attempted intervention by [illegible] Bundesbank [illegible] DM1.7440 level, [illegible] the tune of "several hundred million dollars," according [illegible] Mr [illegible] Feeny [illegible] Sumitomo Bank, [illegible] hold the currency for [illegible] than [illegible] minutes.

Shortly [illegible] the Bundesbank was rumoured [illegible] intervened again, through German [illegible]. But although [illegible] briefly held the currency [illegible] DM1.7500, it [illegible] soared above [illegible] second technical barrier [illegible] DM1.752, where it finally closed in London. In [illegible] trading in [illegible] York it [illegible] level.

[illegible] dollar could defend [illegible] dramatic gains [illegible] of [illegible] dispute.

As [illegible] Nick Parsons, [illegible] economist [illegible] CIBC, pointed out, [illegible] dollar's trajectory [illegible] partly powered by the [illegible] scepticism about [illegible] ability [illegible] break the DM1.7480 barrier [illegible] left [illegible] market quite [illegible] in [illegible] up [illegible] level. [illegible] barrier [illegible] breached, [illegible] had [illegible] buy.

[illegible] result, many dealers [illegible] rise further still. [illegible] though optimism about the [illegible] prospects for [illegible] remains strong, opinion is more mixed [illegible] longer term outlook.

One key question dogging the [illegible] the [illegible] will tighten [illegible]. With [illegible] and producer price figures broadly in [illegible] with market forecasts, [illegible] dealers [illegible] the relatively benign inflationary conditions make early tightening less likely.

For the moment [illegible] may [illegible] significantly [illegible] the dollar. But Mr Neil [illegible] at Citibank, thinks [illegible] the market's optimism could [illegible] be exaggerated [illegible] the [illegible] term.

The immediate issue preoccupying the markets, though, is the degree to which the Bundesbank is willing [illegible] defend the D-Mark. The Bundesbank [illegible] not [illegible] any [illegible]sion to defend the D-Mark since the dollar last hit the chart point of [illegible] in July 1993. [illegible] though yesterday's intervention was carried [illegible] through reserve management, dealers [illegible] nevertheless wondering [illegible] the [illegible] will respond if [illegible] dollar pushes much higher.

[illegible] Mr [illegible] Luxton of Barclays [illegible] points out, a [illegible] D-Mark [illegible] likely [illegible] be "the [illegible] thing the Bundesbank" wants, not least [illegible] it would make it harder for the [illegible] introduce [illegible] that [illegible] will be [illegible] to fight Germany's [illegible].

● The dollar's [illegible] dragged sterling up to [illegible] high against [illegible] in [illegible] months [illegible] the ERM [illegible] September [illegible] pound breached the DM2.62 levels, [illegible] finally closing at [illegible], up from [illegible] previous day's close of [illegible]. At this level [illegible] some [illegible] pfennigs higher [illegible] beginning [illegible] year. However, it softened against [illegible] from $1.5013.

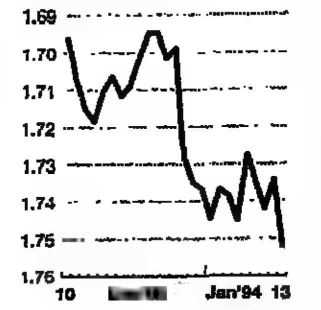
With sterling's [illegible] against [illegible] being driven by gloom about Germany's [illegible] and optimism [illegible] UK recovery as well as the dollar's rise, dealers predict [illegible] sterling [illegible] further.

■ Meanwhile the Italian lira [illegible] after [illegible] minister [illegible] Carlo Azeglio Ciampi resigned. This [illegible] expec[illegible] to early elections, [illegible] hopes [illegible] Italian political uncertainty might [illegible] boost [illegible] further. It yesterday closed at L971 against [illegible] D-Mark, compared to yesterday's [illegible] L983.4.

● [illegible] of England yesterday predicted a shortage [illegible] £2.15bn in [illegible] London money [illegible]. It provided [illegible] help during the course [illegible] the day, through [illegible] 5⅞ [illegible].

D-Mark

Against the $ (DM per $)



[illegible]

■ **Pound in New York**

Jan 13	—Latest—	— [illegible] —
£ spot	1.4960	[illegible]
1 mth	1.4930	1.5000
[illegible]	1.4878	[illegible]
1 yr	1.4726	[illegible]

POUND SPOT FORWARD AGAINST THE POUND

Jan 13		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	[illegible]	18.4152	+0.1038	083 - 220	[illegible]	18.3225	18.419	-0.2	[illegible]	-0.3	-	-	113.3
Belgium	(BFr)	[illegible]	+0.2461	[illegible] - 562	54.7150	54.3455	54.7072	-2.0	54.8272	-1.5	[illegible]	-0.9	112.4
Denmark	[illegible]	10.1482	[illegible]	431 - 532	10.1550	10.1030	[illegible]	-1.3	[illegible]	-1.0	[illegible]	-0.5	115.2
Finland	(FM)	8.5881	-0.0184	602 - 790	8.6030	8.5395	-	-	-	-	-	-	[illegible]
France	(FFr)	8.8902	+0.0254	867 - 937	8.9025	8.8560	8.898	-1.1	8.9096	-0.9	[illegible]	-0.3	[illegible]
Germany	[illegible]	2.6209	+0.0137	197 - 221	[illegible]	2.6055	2.6223	-0.6	2.6235	-0.4	2.6235	-0.1	122.0
Greece	(Dr)	[illegible]	+1.88	767 - 192	[illegible]	374.540	-	-	-	-	-	-	-
Ireland	(I£)	1.0474	+0.0045	467 - 481	1.0486	1.0408	1.0481	-0.8	[illegible]	-0.8	[illegible]	-0.2	[illegible]
Italy	[illegible]	[illegible]	+4.34	389 - 633	[illegible]	[illegible]	[illegible]	-3.1	2583.69	-2.9	[illegible]	-2.5	76.5
Luxembourg	(LFr)	[illegible]	+0.2461	781 - [illegible]	[illegible]	54.3455	54.7072	-2.0	[illegible]	-1.5	55.0822	[illegible]	112.4
Netherlands	(Fl)	2.9326	+0.0137	317 - 334	2.9350	2.9150	[illegible]	-0.1	[illegible]	0.2	[illegible]	0.4	117.9
Norway	[illegible]	[illegible]	[illegible]	[illegible]	11.3010	11.2115	11.3063	-1.7	[illegible]	-0.5	[illegible]	0.0	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	066 - [illegible]	264.465	262.505	[illegible]	[illegible]	268.2	-6.1	-	-	-
Spain	(Pta)	[illegible]	-0.066	690 - 051	216.200	214.980	216.566	[illegible]	217.706	-3.4	[illegible]	-2.7	83.8
Sweden	[illegible]	[illegible]	[illegible]	410 - [illegible]	[illegible]	12.1635	12.2775	[illegible]	12.303	-1.7	[illegible]	-1.3	[illegible]
Switzerland	[illegible]	[illegible]	[illegible]	103 - 126	2.2170	2.1676	[illegible]	1.3	2.2037	1.4	2.1768	1.6	117.2
UK	[illegible]	-	-	-	-	-	-	-	-	-	-	-	82.6
Ecu	-	[illegible]	[illegible]	482 - 499	1.3510	1.3420	1.3507	-1.2	[illegible]	[illegible]	1.3541	-0.3	-
SDR†	-	[illegible]	-	-	-	-	-	-	-	-	-	-	-
[illegible]													
Argentina	[illegible]	[illegible]	[illegible]	921 - 928	[illegible]	1.4897	-	-	-	-	-	-	-
Brazil	(Cr)	[illegible]	+15.681	[illegible] - 853	572.000	555.303	-	-	-	-	-	-	-
Canada	[illegible]	1.9775	[illegible]	765 - 793	[illegible]	1.9720	1.9746	[illegible]	1.9634	1.6	[illegible]	1.1	92.0
[illegible]	(New Peso)	[illegible]	[illegible]	[illegible] - 502	4.6700	4.6370	-	-	-	-	-	-	-
USA	[illegible]	[illegible]	[illegible]	[illegible] - 962	[illegible]	1.4925	[illegible]	[illegible]	1.4877	2.2	[illegible]	[illegible]	[illegible]
[illegible]													
Australia	[illegible]	[illegible]	[illegible]	617 - 640	2.1772	2.1587	2.1614	[illegible]	[illegible]	0.7	[illegible]	0.2	-
Hong Kong	(HK$)	[illegible]	[illegible]	543 - 596	[illegible]	11.5310	[illegible]	2.1	11.5031	1.9	11.4117	[illegible]	-
India	[illegible]	[illegible]	-0.166	126 - 395	[illegible]	[illegible]	-	-	-	-	-	-	-
Japan	(Y)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	167.334	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Malaysia	[illegible]	[illegible]	[illegible]	810 - [illegible]	4.1060	4.0775	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6865	-0.0009	843 - 886	2.6955	2.6745	2.6887	-1.0	[illegible]	-0.8	[illegible]	-0.3	-
Philippines	[illegible]	41.4379	-0.0731	318 - 440	41.7200	41.1200	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.6035	-0.0198	023 - 106	5.6465	5.5565	-	-	-	-	-	-	-
Singapore	(S$)	2.4075	-0.0026	063 - 086	2.4170	2.4033	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0953	-0.0077	933 - 973	5.1160	5.0825	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.4883	+0.0257	577 - 748	6.5075	6.4470	-	-	-	-	-	-	-
South Korea	(Won)	1213.22	-4.34	286 - 357	1221.10	1210.55	-	-	-	-	-	-	-
Taiwan	(T$)	39.6502	-0.2018	361 - 643	39.9700	39.5760	-	-	-	-	-	-	-
Thailand	(Bt)	38.2664	-0.1369	450 - 878	38.4750	38.1930	-	-	-	-	-	-	-

†SDR rate for Jan 12. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 13		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Morgan G'ty Index
Europe													
Austria	[illegible]	[illegible]	+0.113	075 - 125	12.3160	12.2040	[illegible]	-2.4	[illegible]	-2.1	[illegible]	-1.4	[illegible]
Belgium	(BFr)	[illegible]	[illegible]	[illegible]	[illegible]	36.1700	[illegible]	-4.4	[illegible]	-3.7	[illegible]	-2.4	[illegible]
Denmark	(DKr)	[illegible]	[illegible]	815 - 860	[illegible]	6.7210	[illegible]	-3.6	[illegible]	-3.0	6.9033	-1.8	[illegible]
Finland	(FM)	[illegible]	[illegible]	232 - [illegible]	5.7340	5.7020	5.7402	-2.5	5.7567	-2.0	[illegible]	-1.3	[illegible]
France	(FFr)	[illegible]	[illegible]	[illegible]	5.9565	5.8345	5.9604	-3.5	5.9887	-3.1	[illegible]	-1.9	[illegible]
Germany	[illegible]	[illegible]	[illegible]	[illegible]	1.7525	1.7327	1.7568	-3.1	1.7634	-2.6	[illegible]	-1.5	[illegible]
Greece	(Dr)	[illegible]	+2.15	900 - 100	250.100	249.900	255.75	-17.9	262.5	-16.7	[illegible]	-17.3	71.7
Ireland	[illegible]	[illegible]	-0.0113	276 - 290	1.4452	1.4260	1.4247	3.1	[illegible]	2.7	1.4021	1.8	-
Italy	(L)	[illegible]	+8.95	080 - 230	[illegible]	[illegible]	[illegible]	-6.6	1723.2	-6.1	[illegible]	-4.1	77.1
Luxembourg	(LFr)	36.5100	+0.294	900 - 300	36.5400	36.1700	36.645	-4.4	36.88	-3.7	37.4	-2.4	102.5
Netherlands	(Fl)	[illegible]	+0.0181	801 - 808	1.9615	1.9400	1.9646	-2.5	1.9700	-2.0	[illegible]	-1.2	[illegible]
Norway	(NKr)	7.5473	+0.0538	463 - 483	7.5575	7.4630	7.5633	-2.5	7.5878	-2.1	[illegible]	-1.3	[illegible]
Portugal	(Es)	[illegible]	+0.65	580 - 660	176.700	174.[illegible]	177.63	-8.4	[illegible]	-7.7	[illegible]	-6.3	[illegible]
Spain	[illegible]	[illegible]	+0.51	200 - 400	144.580	143.500	145.07	-6.4	[illegible]	[illegible]	[illegible]	-4.3	[illegible]
Sweden	(SKr)	[illegible]	+0.0133	841 - 941	[illegible]	8.1175	[illegible]	-4.2	8.2588	[illegible]	[illegible]	[illegible]	[illegible]
Switzerland	[illegible]	[illegible]	+0.0093	778 - 788	1.4820	1.4560	1.4796	-1.1	1.4812	-0.8	1.4775	0.1	[illegible]
UK	(£)	[illegible]	-0.0053	957 - 962	[illegible]	1.4925	1.4929	[illegible]	1.4877	[illegible]	[illegible]	1.6	[illegible]
Ecu	-	1.1087	-0.0075	084 - 089	1.1184	1.1070	1.1053	[illegible]	1.1	3.1	[illegible]	[illegible]	-
SDR†	-	1.37167	-	-	-	-	-	-	-	-	-	-	-
[illegible]													
Argentina	[illegible]	0.9977	[illegible]	976 - 977	[illegible]	0.9970	-	-	-	-	-	-	-
Brazil	[illegible]	[illegible]	+11.805	[illegible] - 535	[illegible]	[illegible]	-	-	-	-	-	-	-
Canada	(C$)	1.3219	-0.0046	215 - 222	[illegible]	1.3205	1.3227	-0.7	[illegible]	[illegible]	1.3277	-0.4	86.3
[illegible]	[illegible] Peso)	3.1070	[illegible]	060 - [illegible]	[illegible]	3.1040	3.1087	-0.7	[illegible]	-0.7	[illegible]	[illegible]	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	102.7
[illegible]													
Australia	(A$)	1.4458	-0.0035	453 - 463	1.4437	1.4435	1.4468	-0.9	1.45	-1.2	1.4575	[illegible]	86.9
Hong Kong	(HK$)	7.7255	-0.001	250 - 260	7.7275	7.7238	[illegible]	-0.4	7.7307	-0.3	[illegible]	-0.2	-
India	(Rs)	31.3688	+0.0013	650 - 725	31.3725	31.3625	31.4488	-3.1	31.6538	-3.6	-	-	-
Japan	[illegible]	112.165	-0.25	140 - 190	112.650	112.100	112.09	[illegible]	111.88	1.0	[illegible]	1.6	[illegible]
Malaysia	(M$)	2.7310	-0.0015	285 - 335	2.7350	2.7180	2.7279	1.4	2.733	-0.3	[illegible]	-1.1	-
[illegible]	[illegible]	1.7958	+0.0057	947 - 969	1.7930	1.7930	1.7971	-0.9	1.801	-1.2	1.8116	[illegible]	-
[illegible]	(Peso)	27.7000	+0.05	000 - 000	27.2000	27.5000	-	-	-	-	-	-	-
[illegible]	[illegible]	3.7498	+0.0001	498 - 499	3.7505	3.7490	3.7543	-1.4	3.7573	-1.9	3.7768	-0.7	-
Singapore	(S$)	1.6093	+0.004	088 - 098	1.6105	1.6030	1.6077	1.2	1.6059	0.8	[illegible]	-0.4	-
S Africa (Com.)	[illegible]	3.4061	+0.007	053 - 068	3.4075	3.3915	3.4238	-6.2	3.4513	-5.3	3.5541	-4.3	-
S Africa (Fin.)	[illegible]	4.3225	+0.0325	175 - 275	4.3325	[illegible]	[illegible]	-7.5	4.4025	-7.4	-	-	-
South Korea	(Won)	811.000	-	900 - 100	[illegible]	[illegible]900	814	-4.4	817.5	-3.2	836	-3.1	-
Taiwan	(T$)	26.5050	-0.04	000 - 100	26.5500	26.4900	26.5639	-2.7	26.685	-2.7	-	-	-
Thailand	(Bt)	25.5800	-	700 - 900	25.6000	25.5600	25.62	-1.9	25.675	-1.5	25.9	-1.3	-

†SDR rate for Jan 12. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 12. Base average 1990=100

FIXED RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 13		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	[illegible]	[illegible]	4.799	1.917	[illegible]	5.370	20.67	483.7	395.3	22.43	4.048	1.831	3.620	[illegible]	307.2	2.470
Denmark	(DKr)	53.81	10	8.759	2.582	[illegible]	[illegible]	[illegible]	11.12	260.3	[illegible]	[illegible]	2.178	0.985	[illegible]	[illegible]	165.3	1.329
France	(FFr)	[illegible]	11.42	10	[illegible]	1.178	2883	[illegible]	12.70	297.2	242.9	[illegible]	2.487	[illegible]	2.224	1.683	188.8	1.517
Germany	[illegible]	20.84	3.873	3.392	1	0.399	[illegible]	1.119	[illegible]	[illegible]	[illegible]	[illegible]	0.844	0.382	0.754	0.571	64.02	0.515
Ireland	[illegible]	52.17	9.694	8.491	[illegible]	1	[illegible]	[illegible]	10.78	252.3	206.2	11.70	[illegible]	0.955	1.888	1.429	160.3	1.288
Italy	(L)	2.146	0.399	[illegible]	0.103	0.041	[illegible]	0.115	0.444	[illegible]	[illegible]	0.481	[illegible]	[illegible]	[illegible]	0.059	6.593	[illegible]
Netherlands	(Fl)	18.62	3.461	3.031	[illegible]	0.357	867.7	1	[illegible]	90.08	73.61	4.177	0.754	0.341	0.674	0.510	57.21	0.460
Norway	[illegible]	48.38	8.990	[illegible]	[illegible]	0.927	2254	2.598	10	234.0	191.2	10.85	[illegible]	0.889	[illegible]	1.325	[illegible]	[illegible]
Portugal	[illegible]	20.67	3.842	3.365	[illegible]	0.396	[illegible]	1.110	4.273	100.	[illegible]	4.637	0.837	0.379	0.748	[illegible]	[illegible]	[illegible]
Spain	[illegible]	25.30	4.701	4.118	[illegible]	[illegible]	1179	1.358	[illegible]	122.4	100	5.674	1.024	[illegible]	0.916	0.693	77.72	0.625
Sweden	[illegible]	44.59	[illegible]	7.257	[illegible]	0.855	2078	[illegible]	9.216	215.7	176.2	10	[illegible]	0.816	[illegible]	[illegible]	137.0	1.101
Switzerland	(SFr)	24.70	[illegible]	[illegible]	[illegible]	[illegible]	1151	1.327	[illegible]	119.5	97.65	[illegible]	1	0.452	0.894	0.677	75.89	0.610
UK	(£)	54.62	[illegible]	8.890	[illegible]	1.047	2545	2.933	11.29	264.2	[illegible]	12.25	2.211	1	1.977	[illegible]	[illegible]	[illegible]
Canada	[illegible]	27.63	[illegible]	4.497	1.326	0.530	[illegible]	1.484	5.711	[illegible]	[illegible]	[illegible]	1.118	0.506	1	[illegible]	[illegible]	0.682
US	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1701	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.668	[illegible]	1	112.2	0.902
Japan	[illegible]	325.5	[illegible]	[illegible]	[illegible]	6.240	15157	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.959	[illegible]	[illegible]	[illegible]	8.039
Ecu		40.49	[illegible]	6.590	[illegible]	[illegible]	[illegible]	[illegible]	8.369	195.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	124.4	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM [illegible] per DM

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	0.5692	[illegible]	[illegible]	[illegible]	32,114	[illegible]
Jun	[illegible]	0.5680	-0.0049	[illegible]	[illegible]	623	6,560
Sep	0.5650	[illegible]	-0.0040	0.5650	[illegible]	72	236

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	0.8921	-0.0010	0.8932	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	0.8957	0.8940	182	8,160
Sep	-	0.8993	-	-	-	[illegible]	[illegible]

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	43,177
Jun	[illegible]	0.6775	[illegible]	0.6794	0.6765	61	604
Sep	[illegible]	0.6825	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	-0.0092	1.5004	1.4862	[illegible]	[illegible]
Jun	[illegible]	1.4820	[illegible]	1.4840	1.4780	346	997
Sep	1.4790	1.4790	[illegible]	1.4790	1.4750	2	10
Dec	-	1.4700	-	-	1.4700	7	10

EMS EUROPEAN CURRENCY UNIT RATES

Jan 13	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.808628	0.775881	+0.002027	-4.05	8.26	27
[illegible]	2.19672	[illegible]	[illegible]	-1.04	4.99	-
Germany	1.94964	[illegible]	+0.00062	-0.41	4.33	-
Belgium	40.2123	40.5500	+0.107	0.84	3.03	-6
France	6.53883	6.59986	[illegible]	0.93	2.94	[illegible]
Denmark	7.43679	7.52399	-0.00293	1.17	2.69	-8
Portugal	192.854	195.567	-1.136	1.41	2.46	[illegible]
Spain	154.250	[illegible]	-0.617	3.80	0.00	-27
[illegible] ERM MEMBERS						
Greece	264.513	279.135	+0.046	5.53	-1.54	-
Italy	1793.19	1889.30	-4.05	5.36	-1.39	-
UK	0.786749	[illegible]	[illegible]	-5.46	[illegible]	-

Ecu [illegible] rates set by the European Commission. [illegible] are in descending [illegible]. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS Jan	Feb	Mar	PUTS Jan	Feb	Mar
1.400	9.32	9.08	8.95	-	-	0.14
1.425	6.87	6.68	6.77	-	0.03	[illegible]
1.450	4.37	4.40	4.77	-	0.26	[illegible]
1.500	1.93	2.51	3.06	-	0.51	[illegible]
1.500	0.14	1.19	1.86	0.59	1.93	[illegible]
1.525	-	0.45	1.0[illegible]	[illegible]	[illegible]	[illegible]

Previous day's vol., Calls [illegible] Puts [illegible]. Prev. day's open int., Calls [illegible] Puts [illegible]

WORLD INTEREST RATES

MONEY RATES

[illegible]

EURO CURRENCY INTEREST RATES

[illegible]

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

[illegible]

■ THREE MONTH EURODOLLAR (LIFFE) $1m points of 100%

[illegible]

■ THREE MONTH EUROMARK FUTURES (LIFFE) DM1m points of 100%

[illegible]

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

[illegible]

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

[illegible]

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

[illegible]

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

[illegible]

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

[illegible]

UK INTEREST RATES

LONDON MONEY RATES

[illegible]

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

[illegible]

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

[illegible]

BASE LENDING RATES

[illegible]

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 13 / Sch)

BELGIUM/LUXEMBOURG (Jan 13 / Frs.)

DENMARK (Jan 13 / Kr)

FINLAND (Jan 13 / Mkk)

FRANCE (Jan 13 / Frs.)

GERMANY (Jan 13 / Dm.)

ITALY (Jan 13 / Lira)

NETHERLANDS (Jan 13 / Fls.)

NORWAY (Jan 13 / Kroner)

SPAIN (Jan 13 / Pta.)

SWEDEN (Jan 13 / Kronor)

SWITZERLAND (Jan 13 / Frs.)

PACIFIC

JAPAN (Jan 13 / Yen)

HONG KONG (Jan 13 / H.K.$)

MALAYSIA (Jan 13 / MYR)

SINGAPORE (Jan 13 / S$)

AUSTRALIA (Jan 13 / Aus $)

NORTH AMERICA

CANADA

TORONTO (Jan 13 / Can $)

4 pm close

MONTREAL (Jan 13 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Jan 13 / Rand)

Prices supplied by Telekurs

NOTES – OWING TO TECHNICAL PROBLEMS, MOST HIGH/LOW FIGS CURRENTLY RELATE TO 1993 ONLY. Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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TOKYO – MOST ACTIVE STOCKS: Thursday, January 13, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Hanwa	14.3m	730	+2	Itochu	5.1m	592	-5
Mitsubishi Hvy	8.0m	670	-3	Tokyo Gas	4.9m	520	+11
Hitachi	6.4m	850	+1	Sanno	4.7m	1,350	-70
Oki Electric	5.8m	569	-15	NEC	4.4m	947	-10
Fujitsu	5.3m	671	-15	Nisshin Steel	4.1m	378	+18

INDICES

US INDICES

Standard and Poors							
Composite ‡	474.17	474.13	475.27	475.27 (10/1/94)	429.05 (8/1/93)	475.27 (10/1/94)	4.40 (1/6/32)
Industrials	551.94	552.12	553.49	553.49 (10/1/94)	498.48 (26/4/93)	553.49 (10/1/94)	3.62 (21/6/32)
Financial	44.94	44.86	44.86	46.40 (28/9/93)	39.89 (8/1/93)	46.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	262.37	262.28	262.76	262.76 (10/1/94)	236.21 (8/1/93)	262.76 (10/1/94)	4.46 (28/4/42)
Amex Mkt Val	478.87	478.37	478.78	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Comp	786.87	785.52	785.69	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

RATIOS

	Jan 7	Dec 31	Dec 17	Year ago
Dow Jones Ind. Div. Yield	2.65	2.68	2.67	3.19
	Jan 12	Jan 5	Dec 29	Year ago
S & P Ind. Div. yield	2.35	2.38	2.38	2.58
S & P Ind. P/E ratio	28.07	27.73	27.21	26.85

STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	474.10	472.65	-1.50	474.40	472.20	59,076	181,129
Jun	474.00	473.60	-1.80	474.00	473.40	805	4,336
Sep	474.80	475.00	-1.55	475.00	474.70	106	803

Open interest figures are for previous day.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Telefonos	4,789,500	66⅝	—
Am Express	3,939,500	30⅝	-⅛
West Elec	3,876,300	13⅝	-¼
Gen Motors	3,730,200	59⅝	-⅛
Merry Go Rd	3,697,300	2⅝	-⅛

TRADING ACTIVITY

● Volume (millions)

	Jan 12	Jan 11	Jan 10
New York SE	309.893	296.024	317.598
Amex	16.142	18.797	19.177
NASDAQ		321.930	313.352
NYSE			
Issues Traded	2,734	2,740	2,736

CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2291.0	2259.0	-0.32	2295.0	2258.0	28,814	41,537
Feb	2302.5	2271.5	-0.32	2307.0	2271.0	1,396	1,930
Mar	2314.5	2283.5	-0.32	2319.0	2282.0	4,023	31,535
Jun	2314.5	2279.0	-0.32	2314.5	2314.5	1	2,185

Open interest figures for previous day.

† Correction. * Calculated at 15.00 GMT. ⊕ Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♠ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock, whereas the actual day's highs and lows (supplied by Telerate) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close January 13

1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chg'e Prev. Close
15	11½	AAR	0.48	3.2	500	425	u15¾	14¾	15	+¼
29½	12¾	A L La[illegible]	0.18	1.3	33	730	14⅝	14⅛	14⅜	+¼
67¼	54⅝	AMP	1.60	2.6	22	1376	63⅜	62¾	62⅝	-½
72¾	55½	AMR			56	5273	71¾	69¾	71¼	+1¼
3⅞	1¾	ARX			17	819	u4⅜	4⅛	4¼	
51½	29⅞	ASA	[illegible]	3.7	36	2119	u56⅛	54¾	54¾	
30¼	22⅝	AbbotL	[illegible]	2.3	18	4960	29⅝	29⅛	29⅜	-¼
12⅝	8¼	AbbtbI Pr	[illegible]	4.0	7	27	12⅞	12¼	12½	+⅛
15⅝	6¼	Acptncetn			21	75	13¼	13	13⅛	+¼
36	25½	ACE Ltd	0.40	1.4	5	122	29⅝	29⅜	29⅜	-¼
12⅝	10¾	ACM Gvt In	1.06	8.5		777	12½	12⅜	12⅜	-⅛
10⅞	9⅛	ACM GvOpp x	0.80	8.2		140	9¾	9⅝	9¾	+⅛
10⅝	8¾	ACM Gvt Sp	0.95	9.4		219	10¼	10⅛	10⅛	-⅛
12¼	10½	ACM Gvt Se	1.04	8.8		993	11⅞	11¾	11¾	-⅛
12¼	9⅝	ACM Man	1.08	9.4		99	11½	11⅜	11½	+⅛
9⅞	8⅝	ACM Mongd x	0.72	8.0		50	9⅛	9	9	-⅛
12⅞	7¾	AcmeCiv	0.44	4.5	12	45	9⅞	9¾	9¾	
11⅛	6⅞	Acme Elect			35	13	8	7⅞	7⅞	
27⅝	18⅞	Acordia	[illegible]	1.6	13	148	24	23¾	24	
16	10⅜	Acuson			59	181	13	12⅞	13	
21¼	17¾	Adams Expr	0.52	2.9	0	127	18¼	18⅛	18½	-⅛
66¼	45½	Adv Micro	3.00	6.3		94	47⅝	47⅛	47⅝	+¼
32¾	17	AdvMic	3.00	16.6	7	5177	18⅛	17¾	18⅛	+¼
9⅛	5½	Advest Grp	0.16	2.4	11	37	6¾	6⅝	6⅝	
24¾	14¼	Advo Inc	0.08	0.4	65	198	18	17¾	17⅞	
58½	41⅛	Aegon ADR	1.23	2.2	12	53	55⅛	54½	54⅝	-1¼
66¼	43⅞	AetnaL	2.76	5.0	24	1883	56⅜	55¼	55½	-⅝
34	24¾	Aflac	0.40	1.5	12	1887	27	26½	26½	
22¼	16¾	Ahmson	0.88	4.5	9	2410	19¾	19½	19⅝	
7¾	3⅝	Aileen Inc			3	392	3	d2⅝	2¾	-⅛
48½	37½	AirPrC	0.92	2.0	26	871	46¾	46	46⅜	-½
35¼	18⅛	Airbne Frt	0.30	0.8	29	704	u36⅞	35⅞	35⅝	-¼
25½	9⅞	Airgas Inc			47	713	24⅝	23⅛	24¼	-⅛

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مخزامن الأعمل

NYSE COMPOSITE PRICES

4 pm close January 13

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NASDAQ NATIONAL MARKET

4 pm close January 13

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AMEX COMPOSITE PRICES

4 pm close January 13

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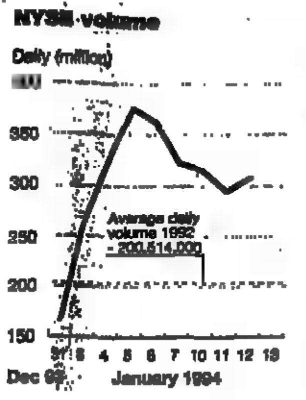
AMERICA

Dow follows bonds down at midsession

Wall Street

US share prices followed bonds lower [redacted] morning, in spite [redacted] bullish news on inflation and retail sales, *writes Patrick Harverson* [redacted] York.

By 1pm the Dow Jones Industrial Average [redacted] at 3,840.18. The [redacted] broadly-based Standard & Poor's [redacted] was also lower [redacted] the halfway mark, down [redacted] 472.52, while the [redacted] slipped 0.90 [redacted] and



[redacted] Nasdaq composite [redacted]. Volume on [redacted] was [redacted] by 1pm.

Stocks [redacted] for the third consecutive day even though the morning's economic news [redacted] positive [redacted] equities. Government figures [redacted] that [redacted] prices rose by *only* [redacted] per [redacted] and retail sales climbed by [redacted] per cent in December. The inflation figure was in line with expectations, while the retail sales number was [redacted] than forecast by Wall [redacted] analysts.

[redacted] have buoyed [redacted] sentiment, [redacted] investors chose instead [redacted] focus on [redacted] prices, [redacted] fell substantially because of *the [redacted] sales figures, which* [redacted] *fears* [redacted] the road strong consumer demand might [redacted] feed through into higher inflation.

Additionally, analysts said that investors and [redacted] in [redacted] by overnight [redacted] foreign equity markets, notably Hong *Kong,* [redacted] *and* [redacted].

Citicorp [redacted] most actively [redacted] issue, rising $1½ to [redacted] in volume of 3.4m [redacted] positively [redacted] news of [redacted] restructuring and what should [redacted] fourth quarter earnings.

Another banking stock in [redacted] JP *Morgan,* [redacted] $70½ on [redacted] fourth quarter profits of [redacted], up from [redacted].

Quaker [redacted] after [redacted] group warned [redacted] it [redacted] report [redacted] per [redacted] 20 per [redacted] in [redacted] quarter earnings.

[redacted] hit by a profits warning [redacted] LA Gear, [redacted] fell [redacted] after [redacted] sports shoe retailer predicted [redacted] quarter [redacted] on continuing operations [redacted] $15m, [redacted] a full-year [redacted].

[redacted] after [redacted] brokerage [redacted] reported a 110 per cent jump in October-December earnings [redacted] $134.8m, [redacted] primarily [redacted] sharply higher trading [redacted] investment banking [redacted].

Canada

Toronto [redacted] midday with gains in golds [redacted] communications offset by *losses* [redacted] *transportation* [redacted] paper products stocks.

[redacted] TSE-300 composite [redacted] edged up 1.53 [redacted] 4,456.22 on volume of 41.3m [redacted] C$532.1m. Declining [redacted] out [redacted] 317 to [redacted].

SOUTH AFRICA

There was a strong correction in trading towards the close of the session as the price of bullion retreated. The gold shares index lost 99 points to 2,059, the industrial index shed 118 to 5,528 and the overall index fell 125 to 4,833.

ASIA PACIFIC

Sharp correction continues in the Pacific Rim

Tokyo

[redacted] in [redacted] prices prevailed [redacted] investors, [redacted] ground [redacted] time in [redacted] trading days on profit-taking, [redacted] in *Tokyo.*

The [redacted] or 1.2 [redacted] cent, [redacted] 18,577.26. [redacted] Topix [redacted] of all [redacted] 1,503.47, [redacted] in [redacted] edged up [redacted] to 1,241.61.

[redacted] Nikkei [redacted] day's high of [redacted] in [redacted] morning and fell to [redacted] of 18,548.75 just [redacted]. Arbitrageurs unwound long positions in late morning trading, [redacted] *strong selling pressure* [redacted] from corporate investors, [redacted] ing [redacted] prop [redacted] profits [redacted] closing.

[redacted], however, [redacted] the [redacted] was [redacted] expectations [redacted] buying from foreign investors, [redacted] investors [redacted] dealers were reluctant [redacted].

Many analysts expect [redacted] of south[redacted] Japan. [redacted] Geoffrey [redacted] Baring [redacted] "on [redacted] basis, Japan, [redacted] massively underperformed last year, is the pick", adding that although the rewards in investing in Tokyo may not be substantial, the risk of a market collapse was low compared to other Asian markets.

Volume totalled 430m shares, against 451m. Declines outscored advances by 556 to 472, with 152 issues unchanged.

Foreigners supported Sony, which gained Y100 at Y5,880. However, other high-technology issues were weaker, with *Matsushita Electric Industrial* off Y10 at Y1,560 and Fujitsu falling Y15 to Y871.

Banks were lower on profit-taking by corporate investors. Most corporations have traditionally held shares of their main creditors as a symbol of maintaining a long term relationship. *However, low dividends* and falling profits have increased the burden for companies in maintaining such portfolios. Mitsubishi Bank dipped Y10 to Y2,700.

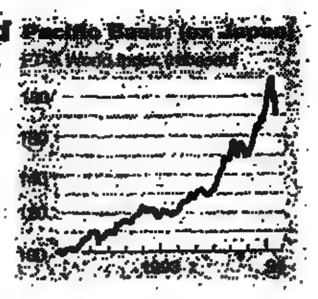
Reports that Nippon Telegraph and Telephone will test run its multimedia service in *Japanese households* next year prompted buying in telecom related stocks. NTT put on Y4,000 at Y814,000, but KDD, the international telecom company, lost its morning rise and finished Y100 down at Y11,200.

Ishihara Sangyo, the country's largest producer of titanium oxide, added Y24 [redacted] Y365 on mounting expectations of a rise in titanium oxide prices.

In Osaka, the OSE average moved up 81.18 to 20,583.66 in volume of 54.6m shares. The index posted its eleventh consecutive gain in spite of *increased profit-taking.*

How the Asian markets have performed

	Yesterday's [redacted] (%)	[redacted] since Jan [redacted]	1993 rise (%)
Kuala Lumpur	-3.5	-19.3	[redacted]
Bangkok	-3.3	-14.5	88.4
Hong Kong	-5.0	-14.4	115.7
Singapore	-2.9	-9.6	59.1
[redacted]	-2.6	-9.2	154.4
Taiwan	-6.9	-3.6	79.8
Seoul	+1.4	+2.8	27.6



Roundup

The region saw a further substantial correction, but analysts [redacted] the cause [redacted] to profit-taking and a return to levels seen *before the Christmas* rally.

A [redacted] Hong Kong [redacted] well [redacted] 10,000 level, given [redacted] correction [redacted] high [redacted] was normally around [redacted] per cent. Yesterday's selling, he [redacted], came mainly from retail investors in Japan and the US. However, in London trading yesterday afternoon, buyers returned and [redacted] unofficial index [redacted] an [redacted] up at [redacted].

HONG KONG fell sharply for [redacted] third [redacted] day [redacted] selling pressure. The [redacted] 10,176.51 in [redacted] up to HK$9.2bn from HK$7.8bn.

Among [redacted] major [redacted] during [redacted] HSBC [redacted] to HK$103, [redacted] HK$4 [redacted] active, dropping HK$1.75 [redacted] HK$31. In the property sector, Sun Hung Kai Properties slipped HK$5 [redacted], Cheung Kong HK$2.25 [redacted] HK$41.50 [redacted] Hongkong [redacted] HK$1.40 to HK$23.90.

TAIWAN [redacted] down [redacted] news that the government was not, [redacted] all, [redacted] to [redacted] shipping links [redacted] China. The weighted index lost 363.81 to 5,851.40 in turnover up to T$104.5bn from Wednesday's T$88.5bn. Sentiment was also affected, said Mr Kevan Cros[redacted] of *HG* [redacted] in London, by further signs that diplo[redacted] with [redacted] country [redacted] weakened, in preference to securing stronger links with mainland China.

KUALA LUMPUR remained [redacted] selling and trading restrictions, which [redacted] buying by some stockbroking firms, with [redacted] composite index closing down [redacted] 1,029.17. The cheaper [redacted] some foreign [redacted] in [redacted] remained over[redacted] by selling p[redacted].

SINGAPORE took another broad tumble for the third day *this* [redacted] with the [redacted] Times Industrial index dropping [redacted].

Analysts [redacted] impact of [redacted] liquidity-tightening measures in Malaysia to continue to affect investor sentiment in both countries. Malaysian [redacted] traded over the counter [redacted] for much of Singapore's daily turnover.

MANILA fell for [redacted] fifth straight day, with [redacted] elsewhere in the region dampening sentiment. The market index shed 76.85 to 2,901.15.

JAKARTA was lower as local investors cashed in their positions, [redacted] some [redacted] bargain hunting preventing a sharper correction. The market index fell 13.20 to 572.02.

AUSTRALIA was unsettled by the falls in other regional markets and the All Ordinaries index fell 18.1 to 2,177.5 in heavy volume of 462.3m shares.

NEW ZEALAND traded in a [redacted] range before [redacted] NZSE-40 capital [redacted] finished 11.37 [redacted].

SEOUL [redacted] against [redacted] trend, ending higher for [redacted] third [redacted] session [redacted] blue-chip buying overwhelmed selling by the Korea Stock Mar[redacted] Fund. [redacted] composite [redacted] 12.35 or 1.4 per [redacted].

EUROPE

Metallgesellschaft halt casts shadow over Frankfurt

[redacted] main markets [redacted] yesterday, [redacted] *Our* [redacted].

FRANKFURT again suffered from the combined pressures *of Metallgesellschaft and Siemens* as the DAX index slid back another 2 per cent, closing the official section off 44.52 to 2,164.66.

Mr Patrick Shields at NatWest Secutrities in London noted that the equity market had seen a shaky start to the new year, exacerbated by the fact that most investors had been confident of a promising beginning given the 46 per cent gain in the DAX *during* 1993. So far this year the index has shed 4.5 per cent.

In the post bourse the Ibis closed at 2,142.36.

Turnover was DM13.8bn.

Trading in Metallgesellschaft was suspended pending a announcement from creditor banks on progress in reaching *agreement on the rescue package.* Two of the major shareholders, Deutsche and Dresdner banks, closed off a respective DM16.50 and DM11.00 at [redacted] and [redacted].

Siemens slid DM36.50 at DM726.00 as it expected earnings to fall by some 10-15 per cent this year.

PARIS went a further 1.3 per cent lower, the CAC-40 index down 29.71 or 1.3 per cent at 2,253.19. A day's low of 2,249.17 was recorded as turnover rose of FFr6.2bn.

Alcatel Alsthom lost FFr14 to FFr778 in heavy trading. In spite of Wednesday's substantial fall after the company forecast sharply lower 1994 profits and sales James Capel has maintained its buy recommendation. While admitting that the statement came as a shock the broker's stated that Alcatel has "restructured heavily in the face of liberalisation of the European [redacted] market and is in good shape to respond to the challenges of increased competiton".

FT-SE Actuaries Share Indices

Jan 13						THE EUROPEAN SERIES		
Hourly changes	Open	10.30	11.[redacted]	12.00	13.00	14.00	[redacted]	[redacted]
FT-SE Eurotrack 100	[redacted]	[redacted]	[redacted]	[redacted]	1497.12	[redacted]	[redacted]	[redacted]
FT-SE Eurotrack 200	1541.00	[redacted]	[redacted]	1540.10	[redacted]	[redacted]	[redacted]	[redacted]

	Jan. 12	[redacted] 11	[redacted] 10	[redacted] 7	[redacted] 6
FT-SE Eurotrack 100	1475.00	[redacted]	[redacted]	[redacted]	[redacted]
FT-SE Eurotrack [redacted]	1547.21	1555.49	1561.06	[redacted]	[redacted]

[redacted] 100 - 1474.[redacted] 200 - 1544.[redacted] 100 - 1455.72 200 - 1523.[redacted]

MILAN was little changed after a day of suspense on the political front. The Comit index dipped 1.20 to 609.19, as investors awaited news of the date of the general election, which would remove a major uncertainty from [redacted] and is widely *expected* to prove positive for equities.

Montedison picked [redacted] in volume [redacted] 80.7m [redacted] recent *hugh* volume [redacted] trading in [redacted] share [redacted] prompted specualtion about changes in the shareholder structure.

ZURICH continued the consolidation that has sent the market down by a cumulative 3.1 per cent over the last four sessions.

The SMI index shed 49.1 or 1.6 per cent to 2,949.9 as weakness in other European markets and Wall Streets easier opening also weighed on the mood.

Bearer shares in SMH, the watchmaker, picked up SFr20 [redacted] losses.

ISTANBUL hit [redacted] sixth con[redacted] record in spite of a [redacted] profit-taking. The [redacted] posite index ended up 1,616.6 [redacted] *provisional* 28,883.61, *for* [redacted] cumulative 27.7 per cent [redacted] the six [redacted].

The buying spree [redacted] fuelled by expectations [redacted] new tax-exempt [redacted] funds will [redacted].

[redacted] surged [redacted] high, [redacted] WIG index rising *560* or [redacted] per cent to 14,115.5. [redacted] turnover [redacted] 2,700bn [redacted] was [redacted] as an [redacted] that further [redacted] *is likely* [redacted] *prices* [redacted] throughout next [redacted].

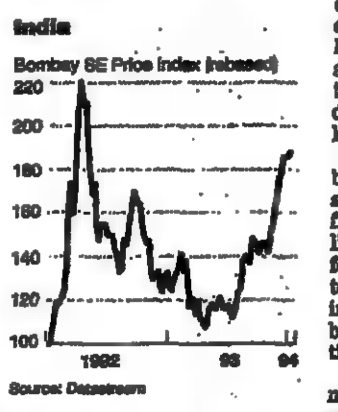
[redacted] edited [redacted] John Pitt and Michael Morgan

India remains on its winning streak

Stefan Wagstyl says that budget hopes are fuelling Bombay's rally

Indian shares continued their winning streak yesterday, fuelled by foreign and domestic investors' hopes [redacted] month's budget will give a fresh impetus [redacted] economic growth and [redacted] the [redacted] ernment's liberalisation programme.

The Bombay Stock Exchange's [redacted] leading [redacted] rose [redacted] to [redacted] in the [redacted] in the market's strongest rally [redacted] the 1992 Bombay [redacted] market [redacted]. [redacted] BSE [redacted] now [redacted] almost 50 per [redacted] of [redacted].



Source: Datastream

[redacted] rally [redacted] triggered by [redacted] fund [redacted] permitted [redacted] invest in [redacted] Indian market [redacted] the [redacted] time in many [redacted] part [redacted] economic reform programme. [redacted] in foreign buying dispelled [redacted] of caution that gripped Indian [redacted] in [redacted] the 1992 scandal, which [redacted] the previous big rally.

[redacted] temporarily [redacted] out of their [redacted] month by a regulatory dispute, which [redacted] the [redacted] for [redacted] weeks, and by [redacted] political uncertainty [redacted] by the [redacted] resignation [redacted] Manmohan Singh, [redacted] finance minister, [redacted] to quit [redacted] by [redacted] parliamentary report into the scandal but [redacted] persuaded to stay.

[redacted] disruption [redacted] proved short-lived. Mr Singh [redacted] emerged from [redacted] political turmoil [redacted] his reputation [redacted] by [redacted] support he received from politicians and businessmen alike.

The regulatory dispute – a [redacted] trading [redacted] and the [redacted] and Exchange Board of India, the markets' watchdog – has yet to be resolved. But fund managers say they are not unduly concerned by the argument, as long as it does not lead to another market closure.

The market closed in December when stockbrokers went on strike in protest at an order from the securities board to liquidate all positions in the forward market, an order given to stop the market over-heating. The strike ended after it became clear that the securities board would not relent.

Nor are investors attaching *much importance to a separate* argument at the Bombay Stock Exchange which led to the resignation on Monday of Mr GD Desai, the exchange's president. Mr Desai clashed with exchange board members about the scope of his powers. His term was due to end in March.

Businessmen in Bombay expect the market to remain strong until the budget, though they do not rule out temporary corrections. Mr Ajit Dayal, a director of the Indian affiliate of Jardine Fleming, the investment bank, forecast the BSE's index would soon cross 4,000.

"Foreign money is piling into the market," he said.

Mr Dayal estimated that foreign institutions invested about $1bn in the Indian market last year and bought a further $1.6bn in issues made by Indian companies overseas. He predicted the combined figure could reach $4bn in 1994.

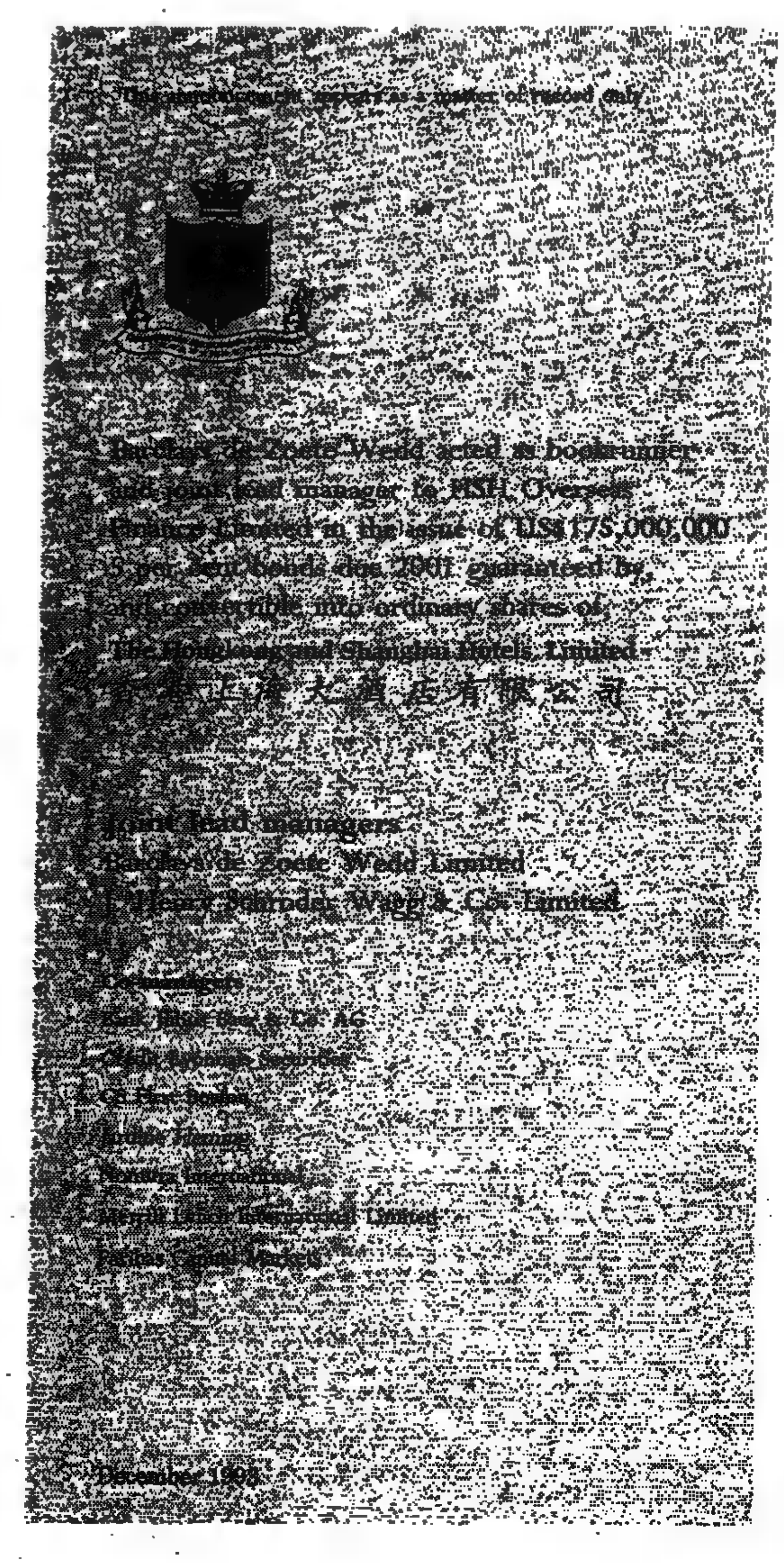
However, more cautious stockbrokers warned that the Finance Ministry is monitoring the rally closely to avoid any repeat of the 1992 scandal when funds were illegally siphoned out of the banking system and into equities. One *danger this time is* that companies taking advantage of the buoyant market to raise funds will be tempted to invest the proceeds in the stock market, possibly breaking securities regulations which restrict such operations.

The flow of foreign direct investment has also increased sharply. The Industry Ministry estimates that foreign companies last year invested Rs15bn, up from Rs6.75bn in 1992. Investments for which approvals were sought, but which have not necessarily been put into effect yet, increased to Rs89bn from Rs38.9bn.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. In conjunction with the [redacted] of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JANUARY [redacted] 1994								TUESDAY JANUARY [redacted]					DOLLAR INDEX		
[redacted] in parentheses [redacted] number of [redacted]	US Dollar [redacted]	[redacted] %	[redacted] Sterling [redacted]	[redacted] Index	DM [redacted]	[redacted]	Local [redacted] on day	Gross Div. Yield	[redacted] Dollar [redacted]	[redacted] Index	[redacted]	[redacted] Index	Local Currency [redacted]	1993/94 High	[redacted] Low	[redacted]
[redacted] (68)	170.64	-0.9	[redacted]	121.40	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	122.55	[redacted]	168.12	172.36	[redacted]	117.39
Austria (17)	190.78	+0.6	[redacted]	[redacted]	[redacted]	171.89	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	171.20	190.78	131.16	132.11
Belgium (42)	164.57	-0.1	162.52	[redacted]	148.58	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	117.16	[redacted]	[redacted]	165.01	131.19	[redacted]
Canada (107)	140.89	+0.3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	141.23	111.41	[redacted]
Denmark [redacted]	262.91	[redacted]	[redacted]	186.83	[redacted]	[redacted]	+0.7	[redacted]	[redacted]	256.95	[redacted]	235.60	[redacted]	262.91	186.11	190.05
Finland (22)	138.05	+1.6	136.33	98.10	[redacted]	[redacted]	+1.0	0.62	[redacted]	[redacted]	96.61	[redacted]	[redacted]	[redacted]	65.50	[redacted]
[redacted] (99)	[redacted]	-1.9	[redacted]	[redacted]	[redacted]	[redacted]	-2.1	[redacted]	[redacted]	[redacted]	[redacted]	164.75	169.03	182.15	[redacted]	142.72
Germany (59)	137.15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-1.0	[redacted]	[redacted]	137.42	[redacted]	[redacted]	125.03	[redacted]	101.69	101.69
Hong [redacted] (56)	441.00	-4.4	435.50	313.36	[redacted]	[redacted]	-4.4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	506.56	[redacted]	[redacted]
Ireland [redacted]	201.96	+1.4	199.46	143.52	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	202.60	[redacted]	[redacted]
Italy [redacted]	67.17	-0.1	66.33	47.72	[redacted]	[redacted]	-0.7	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	65.47	78.93	[redacted]	55.37
Japan [redacted]	135.06	[redacted]	[redacted]	95.97	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	95.42	[redacted]	95.42	165.91	100.75	101.08
Malaysia (69)	492.14	-8.0	[redacted]	349.69	[redacted]	517.91	-7.4	1.40	[redacted]	[redacted]	[redacted]	[redacted]	559.44	621.63	257.86	257.68
Mexico (18)	2342.89	+3.2	[redacted]	1664.84	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2053.86	7717.33	2457.89	1410.30	1684.14
Netherland (25)	200.09	-1.1	197.60	[redacted]	[redacted]	177.56	-1.3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	150.39	150.39
New Zealand (14)	69.78	-0.7	[redacted]	[redacted]	[redacted]	68.32	-0.4	[redacted]	[redacted]	[redacted]	[redacted]	63.56	66.61	70.27	40.56	[redacted]
Norway (23)	190.07	-0.7	[redacted]	[redacted]	171.61	[redacted]	-1.0	[redacted]	191.41	[redacted]	[redacted]	[redacted]	195.24	191.41	137.71	[redacted]
Singapore (45)	[redacted]	-5.2	329.04	[redacted]	300.82	[redacted]	[redacted]	[redacted]	[redacted]	340.41	[redacted]	[redacted]	[redacted]	378.92	207.04	[redacted]
South Africa (60)	[redacted]	[redacted]	[redacted]	[redacted]	246.31	[redacted]	[redacted]	[redacted]	272.93	[redacted]	[redacted]	246.66	255.32	280.28	144.72	155.86
Spain (42)	141.32	-0.5	[redacted]	100.43	[redacted]	[redacted]	[redacted]	3.89	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	145.24	115.23	118.79
Sweden (36)	207.47	[redacted]	204.89	147.43	[redacted]	251.11	-1.1	[redacted]	[redacted]	206.09	[redacted]	[redacted]	258.84	211.43	149.70	155.38
Switzerland (46)	164.74	-0.2	162.69	117.07	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	151.20	165.68	[redacted]	110.40
United Kingdom (215)	206.49	-0.5	203.92	[redacted]	[redacted]	[redacted]	-1.2	[redacted]	207.51	206.29	147.59	[redacted]	[redacted]	208.55	[redacted]	169.95
USA (518)	192.87	+0.0	190.46	[redacted]	174.14	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	137.13	[redacted]	192.65	[redacted]	[redacted]	177.06
Europe (745)	171.08	-0.7	[redacted]	[redacted]	[redacted]	[redacted]	-1.1	[redacted]	[redacted]	[redacted]	[redacted]	155.80	167.08	[redacted]	139.92	139.92
Nordic (113)	202.09	-0.1	[redacted]	[redacted]	[redacted]	212.21	-0.4	1.17	[redacted]	[redacted]	143.84	[redacted]	213.02	202.69	142.13	145.26
Pacific Basin (722)	147.37	-0.2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.14	147.69	[redacted]	105.02	[redacted]	108.30	168.60	105.69	105.93
Euro-Pacific (1467)	157.08	-0.4	155.12	111.61	141.81	129.99	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	162.69	[redacted]	117.28
North America (625)	189.61	+0.0	[redacted]	[redacted]	[redacted]	[redacted]	+0.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	186.82	189.99	[redacted]	173.06
Europe Ex. UK (530)	148.92	-0.8	[redacted]	[redacted]	[redacted]	[redacted]	-1.1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	143.97	160.12	112.51	112.51
Pacific Ex. Japan (253)	[redacted]	-4.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2.46	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	286.36	152.70	153.57
World Ex. US (1652)	159.40	-0.3	157.41	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	113.74	[redacted]	134.11	[redacted]	[redacted]	118.51
World Ex. UK (1955)	166.03	-0.2	163.96	[redacted]	[redacted]	148.94	[redacted]	[redacted]	168.33	[redacted]	[redacted]	[redacted]	147.30	168.68	[redacted]	134.22
World Ex. So. Af. (2110)	168.91	-0.2	166.81	[redacted]	152.51	151.04	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	170.46	[redacted]	137.29
World Ex. Japan (1701)	189.27	-0.5	[redacted]	[redacted]	[redacted]	[redacted]	-0.7	[redacted]	[redacted]	[redacted]	[redacted]	172.10	188.62	191.27	157.47	157.71
The World [redacted] (2170)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	151.87	[redacted]	[redacted]	[redacted]	[redacted]	120.82	[redacted]	[redacted]	170.76	[redacted]	137.32



JOBS: Psychologists' research casts disturbing light on widely used tests of people's working ability

Bringing in, raising up, throwing out

Would you willingly stake your livelihood on your performance in tests not only devised by folk largely ignorant about your job, but [illegible] legality? [illegible] prompts me [illegible] ask [illegible] that, far from being hypothetical, the question seems more and more likely [illegible] this column's readers in hard reality.

The danger is especially great for those of you whose living depends on your being employed in organisations, which show signs of becoming addicted to psychologists' measures of human capability. To make [illegible] worse, the cause of the danger is not just that the so-called psychometric [illegible] in growing [illegible] for selecting new recruits and deciding who is to be promoted. After all, such yardsticks [illegible] been used for [illegible] several decades.

The big difference [illegible] employers are [illegible] longer using them *solely* for those purposes. For in the days when [illegible] psychologists' divining [illegible] confined [illegible] promotion [illegible] initial selection, the only people [illegible] to them were aspiring job-changers [illegible] volunteered themselves [illegible] measured [illegible] candidates. People happy [illegible] continue working in the same job were safe from the shrinks' inventions.

But fewer and fewer settled staff now have [illegible] guarantee [illegible] safety. [illegible] how loyal their service. The reason is [illegible] relying on [illegible] and the like to select new blood to bring in or raise up, organisations are increasingly using them to [illegible] which longer-serving employees to throw out.

While the reject-earmarking variant has been in occasional operation for 15 years or [illegible] the [illegible] example in Britain [illegible] least came just before Christmas in [illegible] London borough of Southwark. [illegible] of the local [illegible] 120-strong finance [illegible] given a long and complex [illegible] apparently on [illegible] assurance that there was no "correct" answer to [illegible] question. As [illegible] result, however, [illegible] them [illegible] told to cease working [illegible] from the office, and 10 [illegible] reputedly been informed that [illegible] council considers them unsuitable for employment.

Wishing to learn what leading psychologists think [illegible] such goings-on, I telephoned Professor Ivan Robertson of the University of Manchester Institute of Science and Technology, [illegible] authority on psychometric testing. [illegible] turned out that he hadn't previously heard [illegible] Southwark [illegible].

Even so, his opinion of it can be gauged from the fact that I had to make several attempts [illegible] persuading [illegible] that [illegible] thing [illegible] really happened. He [illegible] very hard [illegible] believe [illegible] anyone could misuse [illegible] selection device [illegible] badly. Once I finally convinced him, *Outrageous!* was the only printable comment [illegible] the matter [illegible] uttered. But he did add, among other things, [illegible] in [illegible] view shrinks [illegible] the occupational type, [illegible] any rate, have long and wrongly concentrated their efforts on providing the employers' side of [illegible] issue with yardsticks, at the [illegible] of paying insufficient heed to their effect on the employees who [illegible] measured.

Professor Robertson also endorsed numerous [illegible] the criticisms [illegible] current testing which were spelt [illegible] by [illegible] psychologist – Dr Mark Cook, [illegible] the University College [illegible] Swansea's [illegible] Research Group – during last week's annual conference [illegible] occupational section of the British Psychological Society.

Dr Cook's main target [illegible] the [illegible] in which the selection devices are "validated" or, in lay terms, the rules by which shrinks [illegible] whether [illegible] the [illegible] adequately [illegible] what it takes [illegible] in the types [illegible] work for which candidates [illegible] being selected. The only properly acceptable yardstick, he [illegible] one that [illegible] demonstrably [illegible] directly with objective criteria of actual achievement in the job at issue. Examples are value or volume of orders gained in the case [illegible] people, and numbers and quality of widgets turned out in the case of certain production workers.

One reason behind his argument is that unless selection [illegible] are valid by directly objective criteria, those using them may fall foul [illegible] Britain's and other countries' laws prohibiting discrimination by race, sex [illegible] so on. Indeed, such [illegible] specifically that, if there [illegible] an illegal bias in any attribute demanded by a [illegible] procedure, [illegible] is [illegible] the employer to prove that [illegible] particular attribute is [illegible] good performance in the work concerned.

Unfortunately, [illegible] extensive research into methods of validation shows that only a minority of yardsticks are directly tied [illegible] actual job achievement, for the simple reason that there [illegible] relatively [illegible] types of work in [illegible] performance can be adequately gauged by objective criteria alone. Hence most psychometric [illegible] – at [illegible] 60 [illegible] cent, [illegible] possibly [illegible] than three quarters – settle for [illegible] subjective criteria such [illegible] ratings [illegible] employees' performance by [illegible] bosses.

[illegible] that may be understandable [illegible] technical level, however, the Swansea psychologist's studies also [illegible] that far from being a [illegible] substitute for objective criteria, bosses' ratings are [illegible] very different thing. Researchers in various parts of the world have found that such ratings are subject to a wide [illegible] of biases that [illegible] have little bearing on actual achievement in [illegible] job.

He divides them into four main categories. [illegible] includes not only discrimination on illegal grounds together with "ageism", but irrelevant likes and dislikes of particular physical and other individual traits as well [illegible] personal views. A [illegible] distorting [illegible] of politicking. The third group lumps together various aspects of "impression management", including the art of buttering up the boss [illegible] in the Jobs column last week.

The biggest [illegible] is left to the last. [illegible] "the undeserved reputation", it [illegible] 10 ways in which seniors and juniors alike [illegible] about getting themselves [illegible] good performers while doing little if any productive work.

Dr Cook tells [illegible] the criterion of bosses' ratings flaws not only [illegible] lot of [illegible] of personality, but also many of [illegible] purporting to [illegible] what [illegible] once called "intelligence" although [illegible] is now termed "cognitive ability" or the like. In all such [illegible] the prevalence of subjective biases suggest the yardsticks cannot be reliable for selecting truly productive staff, and [illegible] doubt on the measures' legality to boot. He nevertheless [illegible] doubt is [illegible] long way short of sufficient reason to view [illegible] unequivocally against [illegible] law.

[illegible] there was [illegible] certain contrasting lack of caution in the words of another psychologist who contributed to last week's conference. He is Dr Derek North of Sheffield who criticised further selection yardsticks which are even more widely used in Britain. Their [illegible] popular use is in whittling down initial applications to shortlists of people deemed worthy of interview.

He certainly pulled few punches in declaring that the evidence shows such methods are not only of very dubious legality, but a poor predictor of work performance. Employers using them in the standard way probably [illegible] two results. First, rob themselves of "the opportunity to employ people who will probably be eminently suitable for the job". Second, some of the recruits whom they do take on will be less competent than the people they put off.

Dr North, by the way, works for Britain's official employment service. And the yardsticks he criticised are formal educational qualifications.

Michael Dixon

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Please send [redacted] detailed CV to Jill Dillistone, Russell Reynolds Associates Inc., 24 St James Square, London SW1Y 4HZ.

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This assignment is being handled exclusively by Jayne Bowtell LL.B. (Hons), and all enquiries must be made to her [redacted] Reuter Simkin Ltd, Recruitment Consultants, 5 Bream's Buildings, Chancery Lane, London EC4A 1DY. Tel: 071 405 4161 (Fax: 071 430 1140).

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LONDON

Salomon Brothers is one of the world's most prestigious financial institutions and a pre-eminent force in global securities markets. We are currently looking for a **Trader/Structurer** [redacted] join our Fixed Income Customer Derivative Group, which facilitates customer business in European currency fixed income derivatives including swaps, caps, floors and structured products.

The successful candidate will have an excellent degree in a quantitative discipline. S/he will have at least 2 years' experience in both the trading and/or structuring of derivative products and will be able to respond creatively [redacted] fast moving and constantly changing market environment.

Candidates must have a track record of consistent profitability in a top institution, as well as high levels of energy, commitment and determination. Well developed interpersonal [redacted] essential and fluency in a European language other than English would be a considerable advantage.

The successful candidate will receive an excellent compensation package as well as the comprehensive range of benefits associated with a leading financial institution. If you would like to apply, please write with a full cv to **Isabel Doverty, Salomon Brothers International Limited, Victoria Plaza, 111 Buckingham Palace Road, London [redacted]W1W 0SB.**

Multicurrency Fixed Income Fund Manager

With the flagship subsidiary of one of the world's largest banks

Sanwa International plc, which is the investment banking subsidiary of one of the world's leading banks, is seeking [redacted] top flight Bond Manager [redacted] join the investment management team.

You will have responsibility for the development and implementation of strategy in global bond portfolios, currency hedging strategies and the relevant market and economic research.

You will be [redacted] graduate with an outstanding and demonstrable track record that includes first-class experience gained with a leading investment house. Naturally, you already will be able to claim an extensive knowledge of the world's bond, money and foreign exchange markets.

This is an excellent career opportunity [redacted] work in a world-wide company with a reputation for excellence. In return you will be able to command [redacted] excellent salary, bonus and [redacted] full range of benefits.

Please send your full CV together with details of your current remuneration package to Emma Rymer, Sanwa International plc, City Place House, P.O. Box 245, 55 Basinghall Street, London EC2V 5DJ.

Sanwa International plc

Major European Investment Bank

Institutional Equity Sales

Italian Speaker £ neg

Our Client, a major force in the UK Securities market, requires an experienced salesperson to promote their [redacted] product to Italian Investment institutions. The successful candidate will be joining [redacted] already well [redacted] team selling to European institutions and will spearhead the Italian effort.

We seek an experienced individual who is fluent in the language and [redacted] outstanding connections in [redacted] market. In return, our client offers a Rated [redacted] Product and back-up plus [redacted] negotiable salary package with the potential for significant bonus.

The successful candidate will be based in the company's [redacted] City of London.

Please reply in the first instance to the Company's Advisor in this matter, James D'Arcy at Overton Shirley [redacted] Barry, Prince Rupert House, 64 Queen Street, London, [redacted] 1AD. Tel: 071-248 0355. Fax: 071-489 1102.

OVERTON SHIRLEY & BARRY

INTERNATIONAL SEARCH AND SELECTION

Assistant Director

Latin American Finance

To £70,000 + Bonus & Benefits — City of London

Enhance penetration into Mexican and Venezuelan markets. Actively promote bank.

THE COMPANY
- International merchant bank. Its emerging markets activities are highly profitable.
- Traditional involvement in Latin America. Rep office [illegible]k covers the region.
- Active in all aspects of Latin American finance including new issues, investment management and advice and [illegible] trading.

THE POSITION
- Country officer for Mexico and Venezuela. Involvement in team's work in Central America and Caribbean.
- Win, structure and execute capital markets transactions and short and medium term [illegible] backed lending.
- [illegible] strong relationships with the rep offices, within the London headquarters and with European offices of Mexican and Venezuelan companies.

QUALIFICATIONS
- Experienced and competent banker. Wide knowledge of capital markets and financing products in general.
- Fluent Spanish/English. Graduate, probably 30-35, may have MBA. Strong credit background, proven good judgement.
- Experience of Mexico and/or Venezuela would be [illegible] advantage. Prepared [illegible] travel regularly. Motivated and ambitious [illegible] player.

[illegible] send full cv, stating salary, Ref N0102
NBS, 54 Jermyn Street, London SW1Y 6LX

N B SELECTION LTD
a Norman Broadbent International associated company
N·B·S
London 071 493 6392
[illegible] • Birmingham • Bristol • Edinburgh
Glasgow • Leeds • [illegible] • Slough

Investment Manager

Venture Capital

c.£40,000 + Car + Banking Benefits — Birmingham

A challenging opportunity for an ambitious finance professional [illegible] join this leading Midlands venture capital firm.

THE COMPANY
- High profile with strong [illegible] and substantial funds available.
- Successful record of [illegible] in Midlands based companies.
- Commitment [illegible] grow [illegible] to meet the demands of the future.

THE POSITION
- Review new opportunities. Identify, handle and close deals. Realise [illegible] investments.
- Maintain close and active involvement with management of investee companies.
- Market the firm aggressively to business and professional intermediaries.

QUALIFICATIONS
- Previous experience of venture capital [illegible] exposure via corporate finance.
- Graduate or ACA, aged 28 to 35 with strong analytical skills and flair for business development.
- Bright, proactive, high energy. Excellent negotiator with commercial acumen. Team player of presence and stature.

Please send full cv, stating salary, Ref BM4999
NBS, Berwick House, 35 Livery Street, Birmingham, B3 2PB

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Glasgow • Leeds • Manchester • Slough

INVESTMENT ANALYSTS - WORLDWIDE

Baring Asset Management Limited, the investment management arm of Barings, [illegible] currently augmenting its already considerable expertise in the field of emerging markets with experienced Investment Analysts for the locations below.

MEDITERRANEAN — Based in LONDON
The position will entail the identification of suitable investments by detailed analysis within the emerging nations of the Eastern Mediterranean and North Africa. Applicants will need a good knowledge of the region and will be enthusiastic self-motivators with the ability to make [illegible] contribution from the outset.

INDIA — Based in BOMBAY
Covering India and certain other Asian countries, this post will suit [illegible] person who has the knowledge and ability to operate successfully [illegible] the differing cultural, political and religious traditions of the area.

AFRICA — Based in LONDON
This position will entail the identification of suitable investments by detailed analysis within Africa, particularly sub Saharan Africa. Applicants will need [illegible] in-depth knowledge of the region, and will be enthusiastic self-motivators who can contribute from the outset.

LATIN AMERICA — Based in BOSTON, USA
The successful applicant will be responsible for sourcing, researching and recommending suitable investments throughout the region. Applicants will have a thorough knowledge of the [illegible] and its culture and be able to speak English and either Spanish [illegible] Portuguese.

GENERAL QUALIFICATIONS

Applicants for each position will ideally have an MBA or equivalent qualification, good research skills and the ability [illegible] communicate findings effectively. They will need to demonstrate exceptional analytical skills, with a strong desire to understand and work closely with the countries involved and the institutions within their specialist [illegible]. Successful applicants will demonstrate individualism in their ideas but will thrive in a strong, [illegible] driven environment and must be keen to travel extensively within their specialist area. If you [illegible] [illegible] well motivated person with originality, entrepreneurial flair, are able to make decisions and are hungry for success with [illegible] leading company which offers [illegible] exciting and comprehensive benefits package, send your cv in confidence [illegible] our consultants who [illegible] advising on these positions:

Adrian de Vere Green or David Williams,
Emerging Markets Search and Selection,
(A division of Global Markets Recruitment Ltd.)
2-9 Masons Avenue, London EC2V 5BT.
Tel: 071 [illegible] 4744 Fax: 071 600 4717.

BARING ASSET MANAGEMENT

REGISTRAR

UNIT TRUST MANAGEMENT

Sheffield

HSBC Asset Management is the international investment management business of the HSBC Group, one of the world's largest banking organisations. With global funds under management in excess of US$28 billion, we offer a full range of investment products for institutional [illegible] retail clients in [illegible] major financial centres.

Our [illegible] Operations Centre in Sheffield supports [illegible] £2.2 billion UK Unit Trust business, providing a customer-focused administration service to all [illegible] investors [illegible] distributors.

As Registrar, you will be responsible for the maintenance of the unit trust register. You will [illegible] a [illegible] of around 20 people, maintaining the accuracy of the Register and ensuring that regulations [illegible] adhered to. You will also have [illegible] wider role [illegible] an active member of the Centre's management team.

You should be [illegible] experienced registrar in [illegible] unit [illegible] [illegible] related business, with an expert knowledge of the law and industry practices. Team leadership and management skills [illegible] key [illegible] the role. Accordingly we are looking for [illegible] with [illegible] proven ability to develop people's skills and [illegible] [illegible] customer-aware, service-orientated culture.

We offer [illegible] attractive salary, together with benefits including mortgage subsidy, BUPA, company pension and car, plus relocation assistance where appropriate.

Please send your cv [illegible] The Personnel Manager, HSBC Asset Management Limited, 7 Devonshire Square, London EC2M 4HU.

HSBC Asset Management Limited
member [illegible] group

CJA

RECRUITMENT CONSULTANTS GROUP
2 London [illegible] Buildings, London Wall, London EC2M 5PP
Tel: 071-588 3588 or [illegible]71-588 [illegible]576
Fax [illegible] 071-256 [illegible]

Opportunity to gain valuable experience working with a senior corporate financier and for rapid career progression

CJA

YOUNG INVESTMENT BANKER

£30,000 - £45,000 + bonus and good benefits package

[illegible] OF LONDON

LEADING INVESTMENT BANK WITH PRESENCE IN THE FAST-GROWING GLOBAL MARKETS

This new position in [illegible] privatisation equity origination team gives [illegible] exposure [illegible] privatisation [illegible] other large equity [illegible] equity-linked [illegible] on a [illegible] basis. Working closely [illegible] every stage with a Director [illegible] high level of client [illegible], the successful applicant will [illegible] to the marketing of the [illegible] global placement strengths. He or she will undertake company analysis, research technical and regulatory issues, write client presentations and be [illegible] in the execution [illegible] major transactions. Every opportunity for training will [illegible] given.

[illegible] successful [illegible] will:
- be highly [illegible] with strong analytical and computer skills.
- have a good [illegible] degree/professional qualification and 2-4 years' experience in Corporate Finance in a leading investment/merchant bank.
- have a [illegible] European outlook [illegible] preferably a second European language.

Applications in strict [illegible] under [illegible] YIB4935/FT [illegible] the Managing Director, CJA.

EXCEPTIONAL OPPORTUNITY

TRADER/BROKER

Required Now for International Publishing Group

Energy, excellent communication skills and the desire to earn large amounts of money are all that are required to achieve within this position. Don't waste my time unless you're good!! You know who you are ...

Call Tony Marcus
081 441 2222

YAMAICHI

European bond economist

French and German markets

Mid - late 20s

Minimum 2 yrs bond experience

Competitive salary and banking benefits

Yamaichi Securities is one of the [illegible] leading [illegible] houses, [illegible] [illegible] 40 offices spanning 24 major financial centres worldwide outside Japan. In London, Yamaichi International (Europe) [illegible] [illegible] European flagship, employing over 320 people from more than 12 countries.

The company [illegible] seeking a talented economist to join its respected bond strategy [illegible] [illegible] focus on the French and German markets.

Ideally aged mid to [illegible] 20s, candidates should have a strong economics background, preferably with a [illegible] degree. A minimum of two years experience in [illegible] bond environment [illegible] a prerequisite for this position. A high standard of written work and the ability [illegible] meet deadlines [illegible] essential. Fluency in a [illegible] European language, especially French or German, is desirable.

[illegible] submit in confidence a detailed [illegible] to [illegible] Lawrence, Head of Personnel, Yamaichi International (Europe) Limited, Finsbury Court, 111-117 Finsbury Pavement, London EC2A 1EQ.

[illegible] (Europe) Limited
[illegible] of [illegible] London [illegible] Exchange

ASSET STRATEGY CONSULTANCY

Frank Russell Company is the world's leading asset strategy consultant advising clients with assets exceeding £300 billion [illegible] 16 countries. Russell now wishes to recruit both [illegible] senior consultant and a consulting analyst in London to facilitate the continuing expansion of its European business.

Candidates for the senior consultant position are likely to be aged 25-35 with previous experience of investment management or investment consultancy. Strong analytical and quantitative skills are essential requirements as is the ability to communicate effectively both verbally and in writing. Although not essential, knowledge [illegible] other European languages, particularly German and Dutch, would be valued.

The consulting analyst is likely to have [illegible] good educational background, preferably to graduate level, with strong computing (Excel, Lotus 1-2-3) and communication skills. Responsibilities will include supporting senior consultants in the preparation of performance reporting/analysis and other client-oriented consultancy projects. This position offers an excellent opportunity to develop a career in investment consultancy. Prior knowledge of international investment and linguistic skills are desirable attributes.

A competitive salary and benefits package reflecting experience will be offered to the successful [illegible]dates.

Please send CVs in strict confidence, stating the appropriate reference, to:

Reference: Senior Consultant/Consulting Analyst
Helen Thompson
Frank Russell Company
6 Cork Street
London W1X 1PB
Member of IMRO.

Russell

[illegible]

Budapest Securities & Investment Co. (BÉB Rt) is one of the biggest & most successful brokerage houses in Hungary
The brokerage company is a 100% subsidiary of Budapest Bank (BB) one of Big Five commercial banks in Hungary

Budapest Securities [illegible] Investment Co. is now looking to expand into Western and other Eastern European market.

BÉB seeks to appoint a young investment officer & an analyst for [illegible] position based in Budapest.

Applicants for this challenging and unique opportunity should

- [illegible] highly motivated self-starters
- have strong analytical [illegible] presentational skills
- [illegible] college educated
- [illegible] [illegible] least 2 year experience in the investment [illegible] brokerage [illegible] and
- [illegible] proven [illegible] ability
- [illegible] proven [illegible] ability
- Hungarian language is a plus [illegible] not [illegible] necessity.

[illegible] send your CV [illegible] your salary history to
[illegible] Rt. - HUNGARY, H-1384 Budapest Pf. [illegible]

LATIN AMERICA – ASSISTANT FUND MANAGER/ANALYST

£ neg Henley-on-Thames

You should already know of Perpetual as one of the UK's leading Unit Trust Groups with [redacted] reputation for outstanding investment performance. We were established 20 years ago and now have funds under management in excess of £2 billion.

We now require an Assistant Fund Manager/Analyst for our Latin American department. You should be in your early/mid twenties with [redacted] degree or professional qualification and some work experience on Latin America.

In return we can offer you an exciting environment together with the opportunity [redacted] work closely with our senior Latin American investment manager. If you feel ready to take on this outstanding career opportunity please send your CV, together with a covering letter giving a daytime telephone number, to:

Kathyrn Langridge
Perpetual Investment Management Services Limited
48 Hart Street
Henley-on-Thames
Oxon RG9 2AZ
Member of IMRO (NO AGENCIES)

Perpetual

FUND MANAGERS
ASIA & LATIN AMERICA

In order to maintain our very high standards and to continue our expansion, we [redacted] currently seeking to appoint Fund Managers for both our Asia and Latin America desks.

The successful candidates, educated [redacted] at least degree level will have had three to [redacted] years experience within [redacted] major investment house.

It is likely that he or she has relevant experience in China, Taiwan or Korea for the Asian desk and experience in Brazil and Mexico for the Latin American desk.

A good command of the relevant languages for each area would be of benefit.

These positions require skilled and articulate individuals with good presentation abilities, who enjoy working with and becoming an essential part of a dedicated team.

Remuneration will be commensurate with that associated with a leading financial institution.

Interested applicants should forward a comprehensive curriculum vitae to :-

Audley Twiston-Davies
Managing Director
Foreign & Colonial Emerging Markets Limited
Exchange House, Primrose Street
London EC2A 2NY

Foreign & Colonial
EMERGING MARKETS LIMITED
(Member of IMRO)

PERFORMANCE ANALYST

In order to maintain our very high standards and [redacted] continue our expansion, we are currently seeking to appoint a Performance Analyst.

The successful candidate should have at least a Degree (2.1) in a quantitative-based subject (e.g. actuarial sciences, mathematics, etc.) and be able [redacted] demonstrate considerable computer numeracy.

The position also requires great attention to detail, self-discipline, maturity and the ability to prepare and present accurate and comprehensive reports [redacted] Management.

We offer [redacted] competitive remuneration package and all the opportunities arising from a successful and fast growing financial services company.

"Performance Measurement is much more than measuring [redacted] of return, it is an essential part of the information process by which asset managers devise their investment strategy".

If you are interested and exceed these minimum requirements, please send your CV to:-

Lisa Maddox
Foreign & Colonial Emerging Markets Limited
Exchange House, Primrose Street
London EC2A 2NY

Foreign & Colonial
EMERGING MARKETS LIMITED
(Member of IMRO)

EQUITY DERIVATIVE SALES
Min. £80,000 + Substantial Bonus

On behalf of an international bank we wish to appoint [redacted] high calibre salesperson. The successful candidate will be responsible for the sales/marketing of exchange traded on OTC equity derivatives to [redacted] UK and European customer base.

Please contact Phillip Ashby-Rudd.

EQUITY DERIVATIVE TRADER
[redacted] £75,000 + Bonus

On behalf of a major City institution we seek a high calibre equity derivative trader. Aged 25-30, with [redacted] strong academic background togetherwith two years' experience in exchange traded and OTC products.

Please contact Phillip Ashby-Rudd.

Jonathan Wren [redacted] Co. Limited, Financial [redacted]
[redacted] 1 [redacted] Street, London [redacted] 4TP Telephone 071-623 [redacted] Facsimile [redacted]

[redacted] WREN [redacted]

CREDIT CONTROL MANAGER

Cheltenham c£45k + Car + Benefits

Eagle Star Re is [redacted] of the UK's largest reinsurers [redacted] a wholly owned subsidiary of Eagle Star, [redacted] of Britain's leading [redacted] and general insurers. The company operates principally from [redacted] underwriting [redacted] London and [redacted] a large administration and accounts office in Cheltenham. [redacted] also has branches in Japan and Holland.

Eagle Star [redacted] now seeks a Credit Control Manager [redacted] join [redacted] established finance team and to take responsibility for the development and implementation of a proactive credit control policy. Reporting to the Finance Manager, [redacted] successful applicant will [redacted] small [redacted] of experienced staff [redacted] will be directly accountable for cash collection, doubtful debt reporting [redacted] dealing with litigation through selected professional support.

The successful applicant will [redacted] professional manager with a minimum of 5 years industry experience gained in a credit control function, who can demonstrate effective negotiating and inter-personal [redacted] particularly in [redacted] London market and [redacted].

The salary and benefits package, including performance related bonuses, is very competitive. Relocation support will be provided.

If you wish to be considered, please write (in strict confidence) [redacted] cv to John L. Thompson, the company's Adviser, at Thompson Agius Limited (Ref 1523/2), Compton House, Selsdon Road, South Croydon, Surrey [redacted] 6PA. Fax: 081-680 9773.

EAGLE STAR
RE

British [redacted] Pension [redacted]

Fund Manager
U.S. EQUITIES

British Steel Pension Fund has [redacted] in [redacted] of £5 billion, including significant [redacted] investments. An opportunity has arisen on our [redacted] side for [redacted] Fund Manager [redacted] manage our U.S. equity portfolio, amounting [redacted] million. In addition [redacted] portfolio responsibility, fund managers [redacted] expected to make a significant contribution to the asset allocation decision making process.

Educated [redacted] degree level, applicants should have a proven track record in the management of U.S. equities We are a small [redacted] dedicated to investment excellence in which each individual's input makes a significant contribution [redacted] performance and [redacted] rewarded accordingly. A competitive salary will [redacted] paid depending on experience.

Please send a full C.V. marked "Personal" to:-

Investment Manager
British Steel Pension Fund
Radstock House
5 Eccleston Street
London SW1W 9LX
Telephone: [redacted] 5256

FORWARD TRADER to £60k

Long established bank is seeking a senior trader with [redacted] least five years experience of running a multi-currency portfolio, but with emphasis on Forward [redacted] and USD/Yen. This position would suit an individual with a consistent and stable profit and career record, ideally under 35 years of age.

MONEY [redacted] to £50k

This European bank has been expanding its treasury division for the [redacted] five years and now wishes to appoint [redacted] senior money market dealer with experience spanning cash and off-balance sheet products, primarily in US Dollars. Evidence of steady trading profits growth gained preferably in [redacted] large bank, is desirable.

TREASURY SALES to £45k

An opportunity has arisen to join a bank with a strong treasury sales [redacted] selling the full spectrum of treasury products, including swaps [redacted] options. For this position, [redacted] additional European language, especially Spanish, French or German, is [redacted] prerequisite. [redacted] junior and senior positions are available.

Please call Anthony [redacted] for [redacted] confidential discussion or send CV to
JAC Recruitment,
[redacted] Frederick's Place,
London EC2R [redacted]
Tel: 071 [redacted] 3132
Fax: 071 [redacted]

J A C

FIXED INCOME ANALYST to £60,000

A major international bank want to recruit an additional experienced bond markets analyst to its highly respected [redacted] research group. The [redacted] a quantitative approach to research and provides analysis for the use of both internal trading staff and [redacted] clients. The bank [redacted] an impressive corporate and sovereign client base so you will assist [redacted] corporate finance department [redacted] time to time.

You will have [redacted] least one year's experience covering European [redacted] (Germany, Spain [redacted] Scandinavia would be particularly helpful) and [redacted] qualified in a mathematical or economics based subject. As a personality you [redacted] obviously be strongly analytical, but also be able to present [redacted] ideas effectively both verbally and in writing. This is not a backroom position [redacted] will need to be proactive in developing trading and investment ideas and bringing them to the attention of the end users.

ARBITRAGE [redacted]- FIXED INCOME PRODUCTS to £100,000+

[redacted] leading company in the field of quantitative investment management is currently increasing its [redacted] under management at an exponential [redacted] The emphasis of [redacted] group is to provide low risk/high return strategies using innovative quantitative techniques. The company wants to recruit an additional arbitrageur [redacted] a good track record of trading fixed income products and derivatives. You should have [redacted] logical and analytical approach to trading, with a [redacted] of three years running your own book. Academically you will have a post graduate qualification in a mathematical discipline. The position should be attractive to [redacted] traders [redacted] want their remuneration more closely aligned to their profitability - bonuses in excess of 100% are not [redacted]. For more information on both positions call Tony Sheppeard.

AUSTEN SMYTHE [redacted]
127 Cheapside, London EC2V [redacted]
Tel: 071 600 2862 Fax: 071 726 4290

[redacted]

[redacted] min. 2 yrs banking or part-qual. ACAs required by prime [redacted] travel. Formal training. Age to 27 years. [redacted] banking bens.

TRAINER/AUDIT

Large International [redacted] seek a Trainer to develop and present training courses [redacted] and [redacted] Ext. exp. in a similar capacity is req. for this senior position. Sal to £30,000 + [redacted] benefits.

TEL: 071-402-4461
or cv to S. ARNELL (Rec Con)
111 [redacted] Terrace, London W2 3HB

Credit Research Analyst

Highly respected [redacted] profile team

City

Swiss Bank Corporation is [redacted] of the world's leading international banks. Our global success has given [redacted] the strongest possible foundation for long-term growth in investment banking.

In our professional culture, research is seen as a proactive tool, [redacted] the passive instrument of business. Two years ago, we took the bold decision to develop a world-class, internationally-integrated approach [redacted] research. Today, that initiative is paying dividends. Researchers are key members of our Capital Markets Group and are influential in winning investors and gaining access to potential issuers. They are highly respected players [redacted] a very high profile team.

We are now adding to that team strength. We are looking for credit-trained analysts from either a rating agency or a leading international bank. Professionals who can confidently assess the value of existing bonds and evaluate the credit quality of new and prospective issuers. Above all, we are searching for people who thrive on the pressure and immediate demands of the trading floor. People whose sharp judgement and intellectual agility will command the respect of demanding asset managers and traders.

This is a rare opportunity for an articulate, quality graduate with at least three years' relevant experience and proven talents [redacted] both a [redacted] and oral communicator. It is a chance [redacted] make a major contribution to our business and be rewarded with performance-related compensation

If this prospect appeals to you, send your written application [redacted] Lynn Temple, Director Human Resources, Swiss Bank Corporation, Swiss Bank House, 1 High Timber Street, London EC4V 3SB.

Swiss Bank Corporation

TRADER
STOCK LENDING

LONDON EXCELLENT PACKAGE

Salomon Brothers, one of the world's leading international investment houses, is seeking [redacted] highly motivated individual.

Working [redacted] part of [redacted] small team, responsibilities will encompass borrowing and lending gilts, UK and international equities. The team provides both a service to the Company's own traders as well as trading its own account.

The successful candidate will be detail oriented, have well developed communication skills and [redacted] confident and entrepreneurial approach. Experience of stock lending would [redacted] an advantage.

We offer an excellent financial package including the full range of benefits normally offered by a leading financial institution. Please write with a full cv to **Jill Harris, Salomon [redacted] International Limited, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SB.**

Salomon Brothers

EXPERIENCED INTERIM MANAGERS

FINANCIAL SECTOR

CENTRAL EUROPE AND CIS

A major international consultancy firm requires experienced Interim Managers with financial sector expertise in one or more of the following areas:

- Bank Supervision
- Central Banking
- Investment Banking
- Credit
- ALM
- Treasury
- Workout
- Accounting
- MIS
- Training
- Operations

Assignments are for periods [redacted] 3-12 months and are based in Central Europe and CIS.

In the first instance, please write, in confidence, enclosing full personal and [redacted] details to the address below.

All replies will be forwarded direct [redacted] client. Therefore please state in a covering letter [redacted] companies to whom you do not wish your details [redacted] be sent.

Reference JCE, Recruitment Division, The [redacted] Hazlitt Partnership, [redacted] Bouverie Street, London EC4Y [redacted]

CONF[redacted] REPLY SERVICE

RECRUITMENT CONSULTANTS

With an enviable reputation for professionalism, and already leaders in certain markets, [redacted] now embarking upon the next stage of our development and seek consultants [redacted] specialise in the following areas.

FX/DERIVATIVES **FUTURES/OPTIONS**
ASSET MANAGEMENT **CORPORATE BANKING**

You should [redacted] able [redacted] demonstrate either two years' specialist recruitment consultancy experience [redacted] a proven track record in [redacted] relevant financial sales environment.

In addition [redacted] a competitive salary [redacted] performance related commission scheme is [redacted] Pl[redacted] telephone for an initial discussion [redacted] send your curriculum vitas in the strictest confidence to:–

Roy Webb, Managing Director. Evening Tel: 0323-502640

[redacted] ANE
[redacted] 9BY

Devonshire Executive Ltd

Tel: 071-895 8050
Fa[redacted] 2092

International Financial Recruitment Consultants

A Member of The Devonshire Group Plc

Im Zuge des Aufbaus der Abteilung **„Strukturierte Finanzierungen"** werden zum nächstmöglichen Zeitpunkt mehrere Mitarbeiter/innen gesucht. Die Abteilung befaßt sich mit Projekt-/Objektfinanzierungen und Leveraged Transaktionen.

Internationale Projektfinanzierungen

Ihnen obliegt es, diesen Bereich zu entwickeln. Ihre Aufgabe umfaßt die Akquisition, die Kreditanalyse sowie Prüfung angelsächsischer Dokumentation. Neben fundierten Kenntnissen über Investitionsanalysen sollten Sie die englische Sprache in Wort und Schrift vertragssicher beherrschen.

Flugzeugfinanzierungen

Diesen Bereich können Sie gestalten. Ihnen obliegen die Akquisition, die Kreditanalyse sowie die Prüfung der Dokumentation. Neben guten betriebswirtschaftlichen Kenntnissen bringen Sie Erfahrungen in der Kreditanalyse von Fluggesellschaften und über Leasingfinanzierungen mit. Die englische Sprache beherrschen Sie in Wort und Schrift vertragssicher.

Support/Betriebliches Rechnungswesen

Sie unterstützen die einzelnen Bereiche in der betriebswirtschaftlichen Analyse und dokumentieren den geschäftlichen Erfolg der Abteilung. Sie sind Teil des jeweiligen Teams der Strukturierten Finanzierungen. Dazu bringen Sie neben Ihren betriebswirtschaftlichen Kenntnissen Ihre Erfahrungen im Umgang mit Tabellenkalkulationsprogrammen ein.

Wenn Sie eine dieser verantwortungsvollen Positionen anspricht und Sie die gestalterische Chance einer im Aufbau befindlichen Abteilung nutzen wollen, möchten wir Sie gern kennenlernen.

Zur Vorbereitung eines persönlichen Gespräches erbitten wir Ihre vollständigen Bewerbungsunterlagen mit Angabe Ihres Gehaltswunsches (Jahresbruttobezüge) an die

Landesbank Hessen-Thüringen
Girozentrale
Abteilung Personalbetreuung
60297 Frankfurt am Main
Germany
Telefon ++49 69 1 32 43 65

Helaba Frankfurt

LANDESBANK HESSEN-THÜRINGEN

INVESTMENT/SHIPPING

HEAD OF INFORMATION TECHNOLOGY AND COMMUNICATIONS

As a member of the senior management team, you will assist in formulating and implementing group IT [redacted] communications policies and structures. You will [redacted] responsible for developing distributed systems, primarily in a client/server AS/400 and PC-network setting and help guide a small, high-calibre organisation towards innovation and high productivity.

[redacted] are looking for a mature candidate [redacted] IT and business experience gained in a progressive financially-oriented milieu. Your experience will include expertise in small system's integration, RDBMS and group work plus modern office automation and communications tools. Superior communications [redacted] are [redacted] our [redacted] benefit quickly from new systems and assist the skill transfer in [redacted] executive level, very international environment.

A hands-on attitude, taking responsibility for your results [redacted] essential. The position requires fluency in French and English. Some travel is required. Location Monte Carlo.

Please reply in confidence with recent photo. *Only shortlisted candidates can [redacted] contacted.*

[redacted] B1971, Financial Times, [redacted] Southwark Bridge, London SE1 9HL

CASH FUND MANAGER

£ neg + Benefits — Henley-on-Thames

You're probably already aware of Perpetual's reputation within the unit trust industry - we were established 20 years ago and have gone from strength [redacted] strength.

As part of our expansion programme we wish to set up a Cash Fund. If you feel frustrated by the constraints within which you currently work you will find Perpetual refreshingly open to [redacted] ideas. You will also enjoy a high degree of autonomy and a genuine opportunity to contribute to our success, working with some of the most highly respected equity fund managers in the industry.

We are ideally looking for [redacted] with [redacted] background in treasury or money broking. To cope with the demands of this role you will need at least two years' exposure [redacted] either of these environments. Knowledge of the UK Gilts market would be highly advantageous.

The remuneration package will be negotiable and will include the usual range of benefits associated with the industry.

To apply, please send your CV together with [redacted] covering letter, to:

Miss P Kelly
Personnel Officer
Perpetual Investment Management Services Limited
48 Hart Street
Henley-on-Thames
Oxon RG9 2AZ
Member of IMRO (NO AGENCIES)

Perpetual

EDITOR - INVESTMENT RESEARCH

Paris — £60,000

We are one of France's leading banks and have a large team of investment analysts covering European equities and derivatives.

[redacted] are seeking an experienced investment analyst with English as their mother tongue and a perfect understanding of written French to help edit the English version of our extensive research output. The translations are produced by outside agencies.

This [redacted] an opportunity to join a successful European team in an important role and would suit [redacted] senior analyst with wide experience of different sectors who can demonstrate a high level of skill in both writing and editing English.

Write to Box B1964, Financial Times, One Southwark Bridge, London SE1 9HL.

Bloomberg FINANCIAL MARKETS

Sales Executives - Germany

Based in Frankfurt

This is an opportunity to join one of the worlds' fastest growing financial news, information and software businesses in one of the fastest growing markets.

Bloomberg is a highly successful company with [redacted] excellent reputation as a leading supplier of sophisticated, [redacted] based news information and decision support services within the international financial marketplace.

The company recognises the enormous potential that exists for its products in the rapidly developing German financial markets, and its Frankfurt sales office has new vacancies for high quality sales staff.

With 2-5 years experience in a related role, you must speak fluent German and have a good understanding of financial instruments such as: Fixed Income, Interest Rate Swaps, Futures and Options, Equities or Currency Markets. Ideally, experience will have been gained within the investment community in a sales, trading or support role.

Bloomberg is a young, dynamic company and [redacted] is important that you are highly motivated with a commitment to developing your career within a demanding yet stimulating environment.

Salary is negotiable according to experience. Relocation assistance [redacted] available where appropriate. Interviews [redacted] be held in London and Frankfurt.

Apply [redacted] The Freshman Consultancy during office hours [redacted] 071-721 7361 or send your CV by post or fax quoting reference FT/2/94.

FRESHMAN

The Freshman Consultancy, Coppergate House, 16 [redacted] Street, London E1 7NJ
Telephone: 071-721 7361 Facsimile: 071-721 7362

INTERNATIONAL CAREER OPPORTUNITY

We [redacted] an international press and advertising agency operating worldwide and looking to expand our staff.

Ideally you are:

- Between 26 and 30 years old
- Fluent [redacted] English, French and Spanish
- Dynamic, extrovert, confident, optimistic, independent, self-motivated
- Prepared to travel 10 months a year
- Knowledge of economy, politics or experience in sales a plus

[redacted] job entails contacts on the highest level all over the world and a rewarding salary.

If you have the drive [redacted] are ambitious enough to take [redacted] the challenge [redacted] would [redacted] you to send [redacted] your CV with a recent photograph promptly [redacted]

c/o NOA
Marques [redacted] Cubas, 21/1 planta
Madrid 28014 Spain

AN OPPORTUNITY IN EQUITY SECURITIES LENDING TRADING

For an individual with a securities lending or equity settlements background

Attractive package · London

Morgan Stanley [redacted] the leading house in the Equity Securities Lending business. We now have an exceptional opportunity for [redacted] individual, aged 20-30, with previous experience in this field or two-three years' background in Equity Settlements to join [redacted] as a *Securities Lending Trader.*

Previous trading experience [redacted] essential. You must, however, be able [redacted] demonstrate the ability [redacted] respond positively [redacted] a dynamic, fast-paced international market environment.

A negotiable salary with comprehensive benefits is offered in return, together with individual responsibility and fast-track career potential.

Written applications, including a CV, should be [redacted] confidence [redacted] Jenny Thomas, Human Resources, Morgan Stanley International, 25 Cabot Square, Canary Wharf, London E14 4QA.

MORGAN STANLEY INTERNATIONAL

Member of SFA

EMERGING MARKETS ANALYST

[redacted] is a rapidly growing Fund Management firm which has [redacted] assets [redacted] management [redacted] three years, [redacted] to outstanding performance.

[redacted] sophisticated quantitative trading techniques [redacted] already in place, [redacted] person [redacted] required to [redacted] portfolio [redacted] emerging markets. The [redacted] individual will [redacted] experience as a Fund Manager, Analyst [redacted] Trader and should have practical exposure [redacted] the [redacted] of derivative instruments. The remuneration package is highly competitive.

[redacted] Anthony [redacted] more information [redacted] CV to JAC Recruitment,
4b [redacted] Place, London EC2R [redacted]
Tel: 071 [redacted] Fax: [redacted]

JAC

Our international company is working in the field of cinema advertising and the production of cinema commercials for advertising agencies and businesses.

For [redacted] cinema advertising department in London [redacted] seeking [redacted]

MARKETING MANAGER

- *The applicant should have the necessary background in analytical skills to evaluate all information [redacted] potential [redacted]
- *He/She will develop, coordinate and carry out sales strategies
- *He/She will establish and maintain [redacted] to potential [redacted]

The candidate should have excellent organisational skills, [redacted] self-motivated and be prepared to start immediately. German language skills [redacted] advantageous but [redacted] not essential.

Please apply in writing with full [redacted] and personal details to:
[redacted] Nol 37 · [redacted] AUGSBURG · GERMANY

WANTED

A [redacted] progressive [redacted] Trading Company [redacted] in [redacted] requires an [redacted] for [redacted] Dealing [redacted] will [redacted] helping with [redacted] running [redacted] a proprietary portfolio [redacted] global stocks, bonds, [redacted] currencies. [redacted] or equivalent qualifications [redacted] recognised global [redacted] Exchanges helpful but not [redacted] as [redacted] for [redacted] not those [redacted]

[redacted] negotiable according [redacted] experience but weighted in [redacted] than high [redacted] salary (Circa £18,000).

[redacted] CV [redacted]
The Managing Director, [redacted] Management Ltd,
28 [redacted] Terrace, [redacted] SW3 [redacted]

FUND MANAGER GLOBAL FIXED INCOME

Competitive Salary and Benefits

Gartmore is a leading investment management company owned 75% by Banque Indosuez, a major French bank, and listed on the London Stock Exchange. We have over £18 billion under management, of which around £2 billion is invested in global bond markets and around £400 million in cash markets.

Due [redacted] continued expansion in both our UK and International client base, an exciting and challenging opportunity [redacted] exists for a Fund Manager to join the Fixed Income team. You will make an early contribution to the investment policy process and the day to day implementation of portfolio strategy.

Ideally, you will hold a degree in economics [redacted] related discipline, with around 2-3 years experience in an active fixed income environment. The position requires a strong quantitative background, you will probably have held an analytical role prior to progressing [redacted] fund management. Computer literacy is essential, along with proficient written and oral communication skills.

If you are interested [redacted] this challenging role, please apply with CV [redacted] Lois McLean, Personnel Manager, Gartmore Investment Limited, 16-18 Monument Street, London EC3R 8AJ.

Gartmore

Gartmore Investment Limited, a member of IMRO

CORPORATE FINANCE EXECUTIVES

[redacted] Corporate Finance [redacted] the 3i Group's corporate finance advisory division, [redacted] in London and Paris, which specialises in mergers and acquisitions and also provides corporate finance support [redacted] the Group's investment divisions.

We now seek two ambitious professionals [redacted] join [redacted] London team.

This is an excellent opportunity for commercially [redacted] chartered accountants [redacted] keen [redacted] move into corporate finance or for those who have already obtained corporate [redacted] experience and wish to progress their career. Aged 24-30, the successful applicants will have [redacted] degree (minimum 2:1), [redacted] self-starters and have the ability [redacted] liaise with clients at a senior level.

Competitive salaries will be offered, together with comprehensive financial [redacted] benefits, and participation in 3i's executive training scheme.

To apply, please [redacted] a full CV, including details of current salary, [redacted] Neil Williamson, Managing Director, 3i Corporate Finance Limited, 91 Waterloo Road, London SE1 8XP.

All applications will [redacted] treated in the strictest confidence.

3i INVESTORS IN INDUSTRY

Economist/Property Analyst

[redacted] required to join small [redacted] quantitative [redacted] analysis. Understanding [redacted] regional and [redacted] economics required, along with a knowledge [redacted] econometrics, economic modelling and financial economics. [redacted] research capability necessary. Computer literacy and good written skills [redacted] Salary £22,500-£27,500. [redacted] write, enclosing CV to Andrew Schofield, Henderson Real Estate Strategy, 3 Finsbury Avenue, London [redacted] 0734 [redacted]

APPOINTMENTS WANTED

MANAGING DIRECTOR

[redacted] a new career challenge in a multi-media and communication environment. [redacted] experiences include achieving profitable and sustainable growth; corporate development of different business; M&A activity; clear leadership and direction.

Write to Box B1962, Financial Times, One Southwark Bridge, London SE1 9HL

CREDIT ANALYST GRADUATE TRAINEE

A leading Japanese [redacted] seeking [redacted] recruit [redacted] recent graduate into [redacted] Corporate Finance Department.

The corporate finance team [redacted] predominantly [redacted] lending in the syndicated loan market, and an important part of its work includes marketing of the Bank and developing new and existing client relationships.

Areas of responsibility will include:

- Analysing [redacted] credit of corporate borrowers
- Marketing the Bank in meetings with prospective clients
- Monitoring loans within the existing portfolio

The successful candidate will [redacted] an outgoing and confident graduate, with good academic credentials and [redacted] basic understanding [redacted] accountancy.

Please send full CV [redacted] Personnel Manager:

The Mitsui Trust [redacted] Banking Co., Ltd.
Fifth Floor
6 Broadgate
London EC2M 2TB

DBS SECURITIES UK LTD

FAR EAST EQUITIES

We are looking for a sales person based in London [redacted] spearhead our expansion into the institutional market in Far East stocks with emphasis [redacted] the Hong Kong market. The ideal candidate will be about 30 years old with a few years experience in the market in building up [redacted] client base. A highly competitive salary will be offered [redacted] the right candidate.

Please send CV [redacted] Mr G L Wee
DBS Securities UK Ltd
70 Cannon Street
London EC4N 6AE

Lloyds Bank Stockbrokers

NOMINEE/SAFE CUSTODY SERVICE

Attractive salary & benefits package

Lloyds Bank Stockbrokers Ltd is an agency broker handling a substantial share of transactions [redacted] the London Stock Exchange. As a result of the establishment of Sharedeal Direct and the planned expansion of the retail broking business, LBS now wishes to appoint an individual to set up and run the Nominee/Safe Custody Service.

The main responsibilities will be to ensure that LBS can take [redacted] all the tradeable securities held by the branches of the Bank, either in a nominee service [redacted] physical safe custody. This will [redacted] two stage operation, spread [redacted] some eighteen months.

The successful candidate will have at [redacted] 5 years' of [redacted] Nominee/Safe Custody Service probably in [redacted] stockbroking company. The individual must be highly computer literate, self disciplined [redacted] capable of handling [redacted] volume business where organisational ability will be vital. As a member of the management team, the candidate must have excellent communication skills.

For further information, please [redacted] Symon [redacted]

Jonathan Wren [redacted] Co. Ltd, Financial Recruitment Consultants, No. 1 New Street, London EC2M 4TP Tel: 071-623 [redacted]

JONATHAN WREN EXECUTIVE

[redacted] **Northampton**

Money Market Dealer

Nationwide [redacted] the [redacted] largest building society [redacted] of £35 [redacted]. Our Treasury Division, [redacted] in Northampton, [redacted] an impressive reputation and contributed significantly to [redacted] presence within the financial [redacted] industry. [redacted] in [redacted] years [redacted] equipped the front and back offices with advanced technology and facilitated the effective management of increasingly complex operations including [redacted] management of liquid assets of [redacted] billion, wholesale funding of £7 [redacted] and a growing [redacted] portfolio.

Our Money Markets team is now looking for an additional dealer with at least [redacted] months' dealing experience in [redacted] instruments, preferably gained within [redacted] or building society [redacted]. You'll [redacted] expected to play an important role [redacted] the daily [redacted] of our short-term wholesale funding portfolio, with particular emphasis on maintaining and developing our client base.

In addition to first-class career prospects, we will offer [redacted] competitive salary and benefits package including [redacted] health insurance [redacted] relocation assistance if appropriate.

Our clean air policy prohibits smoking on the premises.

[redacted] an application form, please telephone or write, by 21st January, to [redacted] Baldwin, [redacted] Resources, Nationwide Building Society, Moulton Park, Northampton NN3 1NL. Telephone: [redacted] Completed [redacted] include current salary details must be returned by 31st January.

Working for equality of opportunity nationwide.

Nationwide

The [redacted] Society

DAVIS INTERNATIONAL BANKING CONSULTANTS

Management Consultants Dedicated to Excellence in Financial Institutions

DIBC

DIBC is a strategic research-based management consultancy which specialises exclusively in the financial services industry. Our [redacted] include leading international banks, asset managers and securities houses, and our reputation in the market has enabled us to double revenues and staff numbers [redacted] the past [redacted] years.

Consultants

[redacted] wish to recruit additional consultants to work on research-based projects in the UK and overseas.
The ideal candidates will be:

- Mid to late 20's
- Analytical and [redacted] university graduates, perhaps MBA
- Knowledgeable about banking [redacted] securities [redacted]
- Willing to travel with languages [redacted] bonus

The salary and benefits will be competitive, commensurate with experience.
Please reply by sending your C.V. to:

Brenda L Jenner
DIBC (UK) LTD
Suite 6, [redacted] North Audley Street
London W1Y 1WF

Telephone: 071-495 2288

PRIVATE CLIENT BROKERS

Experienced [redacted] Client Broker required for the Mayfair office of this large American retail stockbroker. The successful candidate will need [redacted] further develop business with the firm's existing [redacted] and develop relationships with prospective customers [redacted] generate new business. The promotion of [redacted] unique range of accounts and associated services will be the main focus as well as helping [redacted] efficiently service customer accounts. You will not [redacted] involved in advising clients [redacted] the merits of their specific investments. French and/or German as a second language is preferred.

Salary [redacted] be commensurate with experience. An attractive bonus plan rewards the team according to the attainment of Asset Growth Targets rather than commission revenue.

Please reply in confidence to:
Charles Schwab Limited
c/o W.M. Consultants
[redacted] Harley [redacted]
London
W1N 1HB

We have been retained by a Fortune 500 US Company to identify for them a

FINANCIAL CONTROLLER

based initially in [redacted]

if you are

- aged about 35-45
- have a good knowledge of accounting principles
- some years experience in international controlling and reporting
- able to develop and manage systems for financial controls
- fluent in English and Russian
- willing to live in Moscow for a period of 2-3 years
- interested in an exciting challenge with a major international company

Please send your application to:
Box B1970, Financial Times,
One Southwark Bridge, London SE1 9HL.

All replies will be treated in strict confidence

EUROPEAN ECONOMIST

Wrightson Associates provides high quality [redacted] analysis to banks and investors around the world. We wish to appoint an additional analyst in our London office to expand the coverage of economic and market trends in the smaller European economies (eg Spain, Belgium, Holland).

The [redacted] will [redacted] a good degree in economics plus experience of providing country [redacted] participants in the bond and currency markets. Familiarity [redacted] spreadsheet-based research [redacted] the ability to write clearly [redacted] concisely to daily [redacted] important [redacted]

[redacted] *Hewitt, Managing Director, Wrightson Associates, Coriander Building, 20 Gainsford Street, London SE1* [redacted]

VERY SUCCESSFUL DESIGN & PRINTING CO.
with "can do" philosophy is looking to increase salesforce. First-class back up for executives and clients. Located on south coast, large London client base. Excellent package for right candidate, established only need apply. Reply with CV and current details to:
Box B1959, Financial Times,
One Southwark Bridge, London SE1 9HL.

[redacted]
(SOUTH [redacted])
Expanding corporate finance intermediary firm is seeking high calibre, self-motivated specialists experienced in [redacted] or [redacted] raising work. [redacted] in [redacted]
Box B1960, Financial Times,
One Southwark Bridge, London SE1 9HL.

EMERGING MARKETS

Boutique with joint [redacted] Argentine and Brazil requires [redacted] motivated [redacted] persons with own client base to promote [redacted]

[redacted] salary with high profit sharing scheme.

Box B1961, [redacted] Times,
One Southwark Bridge,
London SE1 [redacted]

APPOINTMENTS WANTED

EUROPEAN SALES EXECUTIVE

Dynamic German diploma engineer, 45, (university degrees in economics [redacted] electronic) with extensive [redacted] experience within large international business seeks challenging [redacted] position.

- Deal driven self starter
- Strong communicator [redacted] negotiating [redacted]
- Senior level experience (managing director) of financing [redacted] structuring capital intensive business. (cross border lease finance)
- strong track record establishing new business in Europe.

[redacted] location would be central or [redacted] Europe [redacted] will consider interesting proposals.

Please write to Box B1956, Financial Times, One Southwark Bridge, London SE1 9HL

INTERNATIONAL ECONOMIC LAWYER,

speaking English, Dutch, French, German, Spanish [redacted] Hungarian, managing experience [redacted] Asia, Latin America and Eastern Europe, with special knowledge of European and Commercial law, looks for a project [redacted] in time (1 to 3 years), at home or abroad, [redacted] adviser or director.

Contact M. Lamouris,
J Macleodstraat 29, 9050 Gent, Belgium, phone:
32.9.231.84.53;
fax 32.9.230.41.75

SALES DIRECTOR BORED!

If you run a smaller emerging company and you need highly motivated [redacted] direction, you [redacted] meet me.

Multi-disciplined background, at present, [redacted] the supply of financial services [redacted] industry [redacted]

For obvious [redacted] please write to:
Box B1963, Financial Times,
One Southwark Bridge, London [redacted] 9HL

GERMAN COUPLE

HUSBAND (43)	WIFE (38)
Manager	Manager
Sectors: Materials handling	Sectors: Publishing
mechanical engineering	public relations
specialised in telpher systems	specialised in magazines

[redacted]
new (combined) position of employment abroad.

[redacted] send serious proposals to [redacted] B1957, [redacted] Times,
[redacted] Southwark Bridge, London SE1 [redacted]

SFA REGISTERED [redacted]

[redacted] (25) with [redacted] sound stockbroking background seeks challenging position. Also experienced in performance [redacted] analysis. Currently studying towards [redacted] Institute Diploma. Capable [redacted] excellent interpersonal & communicative [redacted]

Write to [redacted] B1965, [redacted] Times,
One Southwark Bridge, London SE1 9HL

GILT EDGED SALES

An experienced gilt and fixed [redacted] sales person with [redacted] loyal, mainly UK, [redacted] base seeks a challenging position with a profit [redacted]

Please reply to [redacted] B1969,
[redacted] Times, One [redacted] Bridge, London SE1 9HL.

Business Executive

[redacted] years; graduate in [redacted] science; Eng, Dutch, Ger, Fr speaking; self-employed for [redacted] years; [redacted] challenging position (contract or [redacted] Belgium.

TEL/FAX BELGIUM: ++89/50.19.45

CONCORD LEASING is [redacted] of [redacted] UK's leading providers of [redacted] finance in the middle [redacted] market. Based [redacted] Langley, we provide national finance support to leading [redacted] in [redacted] number of [redacted] including computers, materials handling and construction equipment.

CONCORD LEASING

To help build on our [redacted] and continue our growth as [redacted] key member of an Account Management Team you will be contributing to the provision of [redacted] finance products for several third party introduced sales finance schemes.

Talented and commercially aware, the ideal candidate will have the ability [redacted] manage staff and customer relations [redacted] a mix of experience within the leasing industry including documentation, [redacted] evaluation skills.

Candidates are also expected [redacted] have good credit skills and should have experience of analysing corporate financial information ideally gained in a commercial lending environment with expo-[redacted] underwriting processes.

This is a development position which offers the opportunity [redacted] develop both technical and account management skills. Overall we [redacted] looking for [redacted] flexible team player with good presentation and communication abilities.

We offer an excellent benefits package which includes [redacted] competitive salary, a preferential mortgage and company [redacted]

As [redacted] equal opportunities employer, our vacancies are open [redacted] people regardless of [redacted] or ethnic origin.

Applicants must apply in writing giving a comprehensive resume of education and career together with details of current remuneration to:

Mrs A Kemp
Snr. Manager Resources
CONCORD LEASING.
Concord House,
2 Waterside Drive, Langley,
Berks SL3 6EZ
Tel: 0753 580022

CONCORD
member HSBC [redacted] *group*

INNOVATION

Fixed Interest Derivatives Trade Strategist

City **£200k-£300k + performance bonus and excellent benefits**

My client is [redacted] influential and highly respected major investment bank operating in trading markets [redacted] a truly global basis.

Due [redacted] exceptional business growth, [redacted] position has been created for [redacted] fixed interest derivatives Trade Strategist [redacted] identify, structure and market profitable trade strategies.

The principle focus is on exchange trade and [redacted] the [redacted] fixed interest derivative products in the European markets.

Qualifications for this role will include:

- Familiarity with models of relative value ie: models for identifying pricing abnormalities and for valuation of derivative products.
- Interaction with salesforce, traders and clients.
- Ability [redacted] collect and analyse information from in-house research groups.
- Write brief summaries of trades for clients and in-house research publications.
- Accomplish work under time constraints.
- Familiarity with models for valuation of derivative products.

Additionally, the following skills will be advantageous:

• specific product experience in exchange-listed products • OTC options [redacted] repurchase [redacted] • swaps/caps/swaptions • knowledge of European Government markets [redacted] experience of developing quantitative models.

This is [redacted] high profile position which offers enormous potential for self progression within this major organisation. The ideal person will be proactive in generating trade ideas in [redacted] trading room environment and will have the freedom to look and work [redacted] any markets.

For further information, please call Alexis Kennedy in the strictest [redacted]fidence

071 613 2464
Innovation Recruitment Consultants
Victoria House 64 Paul Street London EC2A 4NA
Facsimile 071 613 2869

Opportunities with Deutsche Bank Group

You have gained several years' experience in the international securities' business including settlement. Your mother tongue is English and you have a [redacted] knowledge [redacted] German. You can work comfortably with standard PC software (MS-DOS, Windows). You are flexible, have [redacted] are acoustomed [redacted] teamwork and high standards.

If you match these require-[redacted] we could [redacted] you an opportunity in our Operations Department. You would [redacted] responsible for the maintenance and up-[redacted] Portfolio Management Systems, particularly securities, exchange rates and client [redacted] bases. You would also be in charge [redacted] the client reporting system, [redacted] includes reconciliations.

Portfolio Administrator

[redacted] are an independent Portfolio Management company [redacted] Deutsche Bank. Our institutional clientele is primarily international. [redacted] a challenging and exciting career in Frankfurt and a competitive remuneration pakkage [redacted] additional [redacted]

Please forward your application [redacted] Heike Baur, Deutsche [redacted] Management GmbH (DBAM), Bockenheimer Landstr. 42, D-60323 Frankfurt am Main.

Let's talk about it.

Deutsche Asset Management
Deutsche Bank Gruppe

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone: Clare Peasnell on 071 873 4027

ACCOUNTANCY COLUMN

Cadbury risks causing indigestion in boardrooms

Michael Lawrence explains that the report's good intentions are being translated too bureaucratically

During the last [illegible] I made just [illegible] public speeches as chairman of the 100 Group of Finance Directors. Yet they have been referred to [illegible] that many might believe we had conducted a public campaign.

My statements reflected [illegible] increasing concern of [illegible] members, who are mainly the finance directors [illegible] the FTSE-100 companies, [illegible] direction of the corporate [illegible] debate and the development of financial reporting in the UK.

My first speech was concerned with the [illegible] in which the Cadbury Report on the financial aspects of corporate [illegible] was being applied. To [illegible] corporate failings, Cadbury [illegible] concerned with enhancing [illegible] role of non-executive directors, and with higher disclosure [illegible] in reporting [illegible] shareholders.

It [illegible] not surprising [illegible] there [illegible] specific proposals requiring boards [illegible] explain in more detail [illegible] internal [illegible] in operation in companies and to confirm they [illegible] "going [illegible]cerns".

The [illegible] thrust of Cadbury [illegible] commended. What is [illegible] is that the committee, [illegible] a non-statutory [illegible] *formally recognised enforcement* [illegible], *had little ability to* [illegible] the implementation of its proposals. It vaguely [illegible] "the accountancy profession [illegible] of accounts" [illegible] produce [illegible] guidance, although [illegible] such recognised group.

Equally, [illegible] subject such [illegible] internal control involves considerations [illegible] much wider than Cadbury's original terms and in which the accountancy profession [illegible] readily recognised as having [illegible] relevant expertise. Examples include the attitude of companies [illegible] environmental issues and the control of waste output or of health and safety procedures.

[illegible] therefore started life with good intentions has been increasingly taken [illegible] by self-appointed committees which [illegible] been able to operate without adequate control or [illegible]sight. [illegible] members of all the committees, [illegible] 100 Group has [illegible] able to see [illegible] first hand the over-elaboration taking place, and the lack of co-ordination – especially between the accounting and the auditing guidelines.

In addition, because of the informal nature of the whole process, [illegible] pressure groups [illegible] bodies began to [illegible] of Cadbury, [illegible] as the definition of "independent" [illegible] applied [illegible] non-executive directors.

All this has come at a time when boards [illegible] already having to grapple with some fairly radical changes [illegible] financial reporting, such [illegible] accounting standards, new disclosure formats, [illegible] more prescriptive approach to interim reporting, and [illegible] by [illegible] to expand their role whilst *limiting their liability.*

One [illegible] the [illegible] that [illegible] speech on [illegible] I have [illegible] "corpo[illegible] overload" [illegible] much continuing [illegible] is [illegible] it strikes [illegible] chord in many boardrooms. It [illegible] been publicly supported by [illegible] Con[illegible] British Industry, while [illegible] need for pacing change [illegible] been acknowledged by government.

It [illegible] been misrepresented in the [illegible] as an undue sensitivity by finance directors [illegible] the challenge of future reform. Our [illegible] criticism [illegible] not the development [illegible] proper stan[illegible] corporate governance, but [illegible] achievable implementation.

A major concern must [illegible] to question fundamentally whether the essentially bureaucratic nature of [illegible] disclosure proposals, illustrated by the mountain of [illegible] and [illegible] work that is being produced [illegible] Cadbury's name, will [illegible] desired objective.

The problem [illegible] that sound companies will produce the information required in a meaningful way but at quite [illegible] high cost in management time and audit fees, whilst those which intend [illegible] abuse the system will not be [illegible]. Substance [illegible] to be distinguished from form.

The required enforcers of [illegible] Cadbury recommendations, [illegible] London Stock Exchange and the major investing institutions, [illegible] not [illegible] represented [illegible] the commit[illegible] devising [illegible] accounting and auditing guidelines being produced. [illegible] Cadbury could, and can, [illegible] discredited [illegible] the proposals [illegible] not carefully considered and a sub[illegible] body [illegible] support developed [illegible] forge [illegible] way ahead.

[illegible] are pleased [illegible] received [illegible] Ron Dearing, [illegible] out-going chairman of the [illegible] Reporting Council, called together those principally responsible for the [illegible]als and [illegible] sought [illegible] adequate consultation takes place before implementation. We still believe that some real questioning of [illegible] underlying value of the proposals needs to take place.

The 100 Group actively endorsed a proposed disclosure recommendation in [illegible] annual reports: the operating and financial review. We believe that more effective corporate governance will be achieved if the boards [illegible] companies are required to produce a structured discussion of their financial results, and [illegible] other [illegible] such [illegible] Treasury operations.

[illegible] statement [illegible] shareholders covering financial matters generally, as contrasted with specific statements on internal control and going concern alone, [illegible] much more valuable approach. Although it may be criticised as [illegible] imprecise, it gives [illegible] duty to the board to explain results, and [illegible] highlight any [illegible] of potential vulnerability for the future.

The issue which our other [illegible] public statement addresses [illegible] the inter-relationship [illegible] Accounting Standards Board (ASB) and the Inter[illegible] Accounting Standards Committee. A quarter of the FTSE-100 companies [illegible] listed on the New York [illegible] Exchange, [illegible] therefore required [illegible] conform to Securities and Exchange Commission accounting and [illegible] requirements for foreign registrants.

[illegible] accounting and [illegible]rities [illegible] put their weight behind the development of truly interna[illegible] standards, and we persuade the [illegible] authorities [illegible] do likewise, then inevitably the corporate world will eventually adopt [illegible] standards.

The [illegible] gain [illegible] the US capi[illegible] very important to large companies, but [illegible] do not wish [illegible] potential competitive and cost disadvantages [illegible] producing accounts in several different forms. Moreover, US standards do [illegible] always cater for our different circumstances and, in any event, are far from perfect [illegible] they [illegible] substantial history of American commercial and legal experience.

This issue may seem abstract, but it is likely [illegible] have some immediate effects. For example, we have worked closely with the ASB over the last [illegible] years [illegible] develop [illegible] sensible approach to accounting for goodwill.

[illegible] large companies, particularly in the service industries, find neither the immediate write-off of [illegible] premiums nor the alternative of its subsequent amortisation [illegible] be sensible proposals. Whilst they represent cur[illegible] UK accounting practice, they [illegible] not produce balance sheets that reflect economic reality and can impede [illegible] that [illegible] otherwise commercially sensible.

Amortisation produces a double charge against earnings as [illegible] companies will spend money to maintain and [illegible] goodwill whilst writing it [illegible]. Despite this, my view [illegible] that larger UK companies will not support the alternative [illegible] "ceiling tests" now being considered [illegible] avoid amortisation of goodwill unless [illegible] is [illegible]dence [illegible] other countries will follow.

I [illegible] developing converging [illegible] boundaries will be a major [illegible] during [illegible]. In setting standards [illegible] need [illegible] consider the "art of the possible" and seek [illegible] achieve international [illegible]

[illegible] Lawrence [illegible] chairman of [illegible] 100 Group of [illegible] Directors

Finance Manager

Central London **£30,000 + car**

Our client is a highly successful property and leisure based plc experiencing rapid expansion by acquisition within both the UK and Continental Europe. The Company has achieved its excellent position through a blend of quality management, strong financial resources and diversity of projects.

As a direct result of the on-going development of the organisation, a Finance Manager is now sought who will report to the Group Financial Controller. This new role will work closely with and be a part of the small but highly professional head office team based in the West End. Key objectives of the function will include the control of monthly management accounts, consolidation of group and statutory accounts, liaising with on-site management teams, handling ad-hoc financial appraisals and dealing with day to day administrative matters.

This is a high profile role supporting senior executives within the Company and as a consequence candidates, who will be qualified accountants probably aged 26-32, must be able to demonstrate technical excellence. The appointee should be a self starter with good organisational and interpersonal skills coupled with a will to make a positive contribution to the management team.

Please write enclosing full curriculum vitae, quoting ref 622, to Philip Cartwright FCMA, Riverbank House, Putney Bridge Approach, London SW6 3JD. Tel: 071 371 9191 Fax: 071 371 [illegible]

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on
071 873 3199
Andrew Skarzynski on 071 873 3607

Group Treasurer

Major Leisure Group

£50,000 + Excellent Benefits — South East

An outstanding professional is needed to upgrade this well known group's Treasury operations. Emphasis on liquidity and currency management.

THE COMPANY
- One of Europe's largest travel and leisure groups.
- Quoted British plc. Market leading brands.
- Dynamic new management team.

THE POSITION
- Full responsibility for all aspects of Treasury Management in cash rich, multi-currency environment.
- Maximise return on liquidity and actively manage FX risk.
- Key role in cash and currency forecasting and banking relations. Reporting to FD.

QUALIFICATIONS
- Outstanding young graduate Treasurer, preferably ACT qualified.
- At least 3 years experience of cash and FX management.
- Commercially minded, hard working, team player.

Please send full cv, stating salary, Ref N0104 NBS, 54 Jermyn Street, London SW1Y 6LX

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Accountancy Personnel

Financial Planning Manager

South West

£43,000 + Car + Benefits

Part of a progressive and prestigious international group our client is a highly profitable, market leading engineering company. Ambitious future plans involving both organic and acquisitive growth have created a requirement for a Financial Planning Manager.

Reporting to the Finance Director, you will be involved in reviewing current business strategies, identifying and evaluating potential alternatives and recommending adoption of appropriate future strategies which will deliver enhanced performance. In addition you will be involved with both capital and commercial project work plus evaluation of potential acquisition prospects.

You will be between 28-35, a graduate, formally qualified and have had experience of strategic planning in a manufacturing environment, preferably in a TQ orientated company. Exemplary influencing and communicating skills are essential attributes.

Career prospects within the group are excellent.

For further information please contact Paul Bennett at Accountancy Personnel, 20-21 High Street, Newport, Gwent, NP9 1FW. Telephone: 0633 255455. Alternatively fax your CV to 0633 255715.

Hays

Financial Controller

Manufacturing

c.£30,000 + Car — Birmingham

Subsidiary of multibillion turnover plc requires outstanding, commercially orientated finance professional to implement change.

THE COMPANY
- £80m turnover autonomous manufacturer. Highly competitive markets.
- Produces a broad range of metal and plastic products for the home improvement market.
- Highly impressive forward thinking management team.

THE POSITION
- Wide ranging, hands-on role. Integral member of senior management team. Reports to the Finance Director.
- Develop incisive management reporting systems and apply a rigorous, comprehensive approach to costing, budgeting and forecasting.
- Provide financial input to multifunctional teams. Ad hoc projects, including structural and strategic issues.

QUALIFICATIONS
- Graduate calibre, qualified accountant. Strong manufacturing background. Record of mainframe MIS development.
- Confident in complex environments. Clear commercial thinker with strong interpersonal and communication skills.
- Ambitious, resilient and innovative. Hungry for success.

Please send full cv, stating salary, Ref BN0118 NBS, Berwick House, 35 Livery Street, Birmingham B3 2PB

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Chief Accountant

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An excellent position for a qualified and experienced accountant to join an established and progressive firm of London solicitors.

The Firm

Vizards is a well established and energetic, medium sized, London firm with an enviable history and practice. We have a base of traditional private clients and commercial work as well as a large insurance litigation practice. We have, in addition, a particular speciality as Parliamentary Agents.

The firm has developed rapidly in recent years and looks to continue to do so whilst maintaining our commitment to a personal service of the highest quality.

The Position

To control all aspects of financial administration of the practice so as to provide an effective and efficient service of financial management to the Partners.

The Person

FCA or FCCA, preferably with practical experience of partnership financial administration and of computerised practice administration and accounting systems. Age, 35 to 45. An enthusiastic and confident personality with an ability to manage and get on with people.

Applications (in writing) and CV's to: The Senior Partner, Vizards, Box B1954, Financial Times, No. 1 Southwark Bridge, London, SE1 9HL.

VIZARDS
SOLICITORS

Internal Audit Manager

Providing personal Financial [illegible] products to meet the [illegible] of a niche market, my client is the UK operation of an international parent. The London head office has considerable autonomy and provides technical and administrative support to a nationwide sales force. Progressive organisational change is enhancing business performance in a culture focused on efficient, caring customer service.

Internal audit [illegible] is currently provided by the parent. However, the strategy now agreed will introduce Control and [illegible] Self-Assessment [illegible] throughout the business, putting them in the vanguard of best practice. The [illegible] focus of this [illegible] role is therefore to [illegible] the UK Internal Audit function. Working closely with management colleagues to set up the disciplines and controls, once you have equipped [illegible] to handle their new responsibilities, your role will develop as facilitator and expert internal consultant.

Make no mistake, this is no ordinary audit manager role. Covering not only financial controls, but also operational reviews and investigations, it calls for a [illegible] blend of skills and abilities. Sound experience in structured methodology financial audit is of course essential, with [illegible] years PQE in either a 'big six' firm or the internal function of a service [illegible] plc. Your considerable technical expertise will be [illegible] by excellent analytical, communication and interpersonal skills.

As part of a small, energetic and highly professional management team during an exciting period of change, you will gain the satisfaction of having real influence in a non-bureaucratic, pragmatic, people-orientated culture; your contribution will have a tangible impact on the success of the [illegible]. Take the first step by sending a comprehensive CV (including current salary details) to Andrew Burke, [illegible] Group, [illegible] Centre, Colston Street, Bristol BS1 4UX.

An exceptional opportunity for a Qualified young professional

c.£32,000 plus car & benefits

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FINANCE DIRECTORS

Subsidiary and Divisional appointments within a large quoted group

Locations in the Midlands, Yorkshire and the West

Packages c.£30 - £55,000 + Quality Car

Our client is a major UK PLC with an outstanding record of growth from the early 1980s to date. The group operates in manufacturing and processing throughout the UK and on the continent. The business continues to develop by acquisition and organic growth due to product innovation, superb quality and excellent customer service. A decentralised management structure exists with a large degree of local responsibility.

Opportunities are now available for high quality finance professionals to join management teams motivated towards growing and shaping significant businesses in individual market places. These vacancies have arisen after positive appraisal of the group's financial management and subsequent promotion of successful individuals to more senior operational roles.

Although not necessarily a graduate, you should possess the appropriate intellectual and communication skills and be able to quickly establish positive and influential working relationships with other professionals of all disciplines.

You will be determined and vigorous by nature and able to demonstrate significant achievement to date with at least part of your career in a manufacturing or processing environment.

The likely age range is from early 30s to mid 40s although this is not exclusive at either end. Reward packages will be generous by reference to each specific role and include relocation facilities as appropriate.

Candidates should forward curriculum vitae with current salary details to Rod Shaw at Premier House, 15 Wheeler Gate, Nottingham NG1 2NN. All applications will be dealt with in the strictest of confidence.

SHAW MILLS management selection consultants GOLLINGS
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SOUTH AFRICA

Substantial Expatriate Package

Our client is an expanding international [illegible] group, operating extensively throughout Africa and the Middle-East. It now seeks to recruit two key Finance Executives to enhance the continued development of the [illegible]

Group Finance Director

You will be responsible for leading, managing and developing the finance functions. Working closely with the Chairman and President on all strategic, commercial and operational issues, you will play a leading role in the development of institutional relationships.

Aged 35-50, you will be a Qualified Accountant with extensive international industrial experience gained at a similar level. Strong, commercial acumen is required along with excellent communication skills. The role will [illegible] throughout Africa, Middle-East and UK.

Group Financial Controller

Reporting to the Finance Director, you will be responsible for production of monthly management accounts, budgetting and forecasting, cash management, consolidation and production of statutory accounts and MIS development. You will also take on various ad hoc investigations and special assignments.

You will be an enthusiastic, highly motivated Qualified Accountant, aged 30-45 with a proven commercial background, with the ability to work through your own initiative.

Both positions are based in the group's main administrative office in Johannesburg, and offer a highly challenging environment with excellent long term opportunities. In return the client is prepared to offer highly attractive expatriate packages.

Please contact Warwick Holland for further information or forward your CV to:

MICHAEL WARWICK
Water Court, 10b St Paul's Square, Birmingham, B3 1QU
Telephone: 021 233 [illegible] Facsimile: 021 [illegible] 0855.

To advertise in this section please call Gareth Jones for more information on 071-873 3199

RAILTRACK

The privatisation of British Rail- the most far reaching reorganisation in British Rail's history-involves the creation of new business units which will transfer to the private sector. A key player in that strategy, with assets in excess of £700m, Railtrack East Anglia will become an independent business by April 1994, with responsibility for managing the track and operating infrastructure and selling access to Train Operating Franchisees. Opportunities now exist for two key Finance Managers, reporting directly to the Financial Controller of the East Anglia Zone

FINANCIAL ANALYST

c£40,000 package · City

The future success of privatisation will depend on Railtrack's exploitation of its asset base and optimisation of non-core commercial opportunities. The Financial Analyst will be a key contributor in the areas of business planning, identifying new business opportunities and investment decision making. Through the establishment of a regime supporting financial modelling and financial management, this position will contribute to the future success of Railtrack East Anglia.

You will be a qualified Accountant, preferably with an MBA, and able to demonstrate significant experience in development of business strategy and planning in a dynamic, commercial environment. This role requires highly developed analytical skills, coupled with strategic vision and the ability to contribute to the wider commercial issues

STRATEGIC MANAGEMENT ACCOUNTANT

c£35,000 package City

This position will provide the momentum behind the development of management information in the Zone.

Leading a team, you will be responsible for the performance measurement and reporting of all aspects of the business through financial and budgetary control. A key factor in the success of this appointment will be the introduction and application of strategic management accounting within the Zone.

Educated to degree level and a qualified Accountant, you must be able to demonstrate extensive experience of designing management accounting systems in a changing environment The ability to lead a team and communicate effectively with senior non-financial managers is also prerequisite.

Please apply directly to Collette Harrison at
Robert Half, Walter House, 418 The Strand,
London WC2R OPT.
Telephone: 071-836 3545, or evenings
on 081-771 6457.
Alternatively, fax your details on 071-836 4942.
Any CV's submitted directly to Railtrack
will be forwarded to Robert Half.

ROBERT HALF
THE HUMAN FACTOR

Chief Operating Officer
International Trading Group

Our client is a rapidly expanding entrepreneurial group with substantial interests in the CIS, including oil transportation, commodity trading, banking and construction.

It seeks a chief operating officer to bring together the various businesses into a cohesive unit, organise the finances and fund raising for expansion and, in conjunction with the Chairman, run the operation.

The successful candidate will be able to demonstrate:

- Substantial legal/financial experience at board level on an international basis including experience of fund raising through major banks.
- A record of achievement in managing expansion, ability to operate within a team and a high degree of imagination.

The experience is most likely to have been gained in a highly successful entrepreneurial organisation with an international base.

A competitive base salary and incentive scheme is offered with this exceptional opportunity.

Please send a detailed curriculum vitae, quoting reference CJL/250, to Rochester Partnership Limited, Executive Selection Consultants.

Rochester Partnership Ltd
Garrard House
31-45 Gresham Street
LONDON
EC2V 7DN

Telephone: 071 600 0101
Facsimile: 071 796 4255

FINANCE MANAGER

Cheltenham c£50k + Car + Benefits

Eagle Star Re is one of the UK's largest reinsurers and is a wholly owned subsidiary of Eagle Star, one of Britain's leading life and general insurers. The company operates principally from two underwriting centres in London and has a large administration and accounts office in Cheltenham. It also has branches in Japan and Holland.

Eagle Star Re now seeks a Finance Manager to take over an established finance function. Responsibilities will include:

- the ongoing development of all aspects of financial control, and reporting
- the preparation of monthly and quarterly accounts, providing analysis of the key issues
- the preparation of business forecasts and input to the strategic planning process
- supervision of the credit control management function.

Reporting to the Finance Director and having a critical liaison with market underwriting and claims management, the successful applicant will lead a small team of finance professionals and will have responsibility for fifty staff.

Applicants must be qualified accountants with strong commercial skills and a record of achievement in management gained in a reinsurance or insurance environment.

The salary and benefits package, including performance related bonuses is very competitive and there will be opportunities for further advancement within the Group. Relocation costs are generous.

If you wish to be considered, please write (in strict confidence) with a full cv to John L. Thompson, the company's Adviser, at Thompson Aglus Limited (Ref 1522/2), Compton House, Selsdon Road, South Croydon, Surrey CR2 6PA. Fax: 081-680 9773.

EAGLE STAR
RE

AFTER FIVE YEARS IN ACCOUNTANCY, HOW ABOUT A CAREER IN RADIO?

Agency Accountant
DTI Radiocommunications Agency

Starting salary range: £27,065 to £30,660: more may be available for an exceptional candidate

Radio is changing rapidly – new uses, new technology, bigger markets – all creating a substantial increase in business for the Radiocommunications Agency which was set up in 1990 by the DTI to manage the civil radio spectrum. The Agency generates its income from licence fees for radio use and currently has a turnover of almost £40m.

The Agency produced its first "commercial-style" Accounts, independently audited, by the NAO, for 1992-93, largely using existing systems designed for Government Accounting. Some of the challenges facing you, as the new Agency Accountant, will be to 'sell' the whole concept of accruals accounting to an organisation that has virtually no experience of it and to implement the systems and practices that will not only make it happen, but will meet the NAO's strict auditing guidelines.

If the professional and technical aspects of the role are demanding, so too are the human ones. You would be leading a team of some 14 accounting staff, with the aim of successfully blending new skills and perceptions with those already in place.

For this high profile appointment based in London, a CCAB qualification is essential, backed by five years' post-qualification experience. You will have proven leadership ability and have managed the production of accruals accounts.

Starting salary, depending on experience and qualifications, is likely to be within the range £27,065 to £30,660 with further increases dependent upon performance up to a maximum for the grade of £39,227.

For further details and an application form (to be returned by 27th January 1994), write to **Recruitment & Assessment Services**, Alencon Link, Basingstoke, Hants, RG21 1JB or telephone Basingstoke (0256) 468551 or fax (0256) 846374/846565. Please quote Ref. B/2055.

The DTI is an equal opportunities employer.

RAS

Ms

DIRECTOR OF FINANCE AND ADMINISTRATION

CENTRAL LONDON
c. £45,000

Our clients are solicitors with an international legal practice. They enjoy an acknowledged reputation for commercial and shipping law, and are based in highly prestigious offices near Blackfriars.

The Practice requires a well qualified professional with the character and ability to motivate and inspire the management team, and also to control and manage the finance and accountancy function effectively. A good communicator who can demonstrate a successful track record including accounting software implementation, budgetary and credit control and the provision of management information are other necessary characteristics.

Your accountancy qualification will have been enhanced by experience of the profession, ideally in a solicitors practice, and you will probably be aged 32-45.

Please reply in confidence, quoting reference 54 with full career and remuneration history to:

**Susie Becker, Moore Stephens,
St. Paul's House, Warwick Lane, London, EC4P 4BN**

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Jones Cable Group, UK subsidiary of US based Jones International, are in a period of rapid expansion. Accordingly we require the following people to be involved in the accounting and reporting functions for Jones' operations in the UK.

GROUP MANAGEMENT ACCOUNTANTS

c.£30K + Car + Benefits

Based in Watford and reporting to the Group Finance Director, your responsibility will be to account for franchise operations at Group level.

You should be fully qualified, with at least ten years' experience in a similar role, ideally in a start-up situation. Lotus spreadsheet proficiency is essential and only non-smokers will be considered.

Please apply in writing with full CV, quoting reference 177/G/G13, no later than Friday 21st January 1994 to:

**Michelle Macdonald, Recruitment Officer,
JONES CABLE GROUP LTD.,
Jones House, 9 Greycaine Road, Watford, Herts. WD2 4JP.
Previous applicants need not apply.**

JONES CABLE GROUP

NO AGENCIES.

Finance Managers – Latin America

A major international publishing company seeks two key people to assist in the rapid growth of its educational publishing business in Latin America.

Mexico City — Mid £30's + Car + expat benefits

As the Head of Finance, you will be responsible for 9 staff, reporting to the MD and to UK management on all financial matters. The role demands a business-like approach with significant input to forecasting and planning, reviewing and influencing company performance and developing relationships with suppliers and advisors. The company is at a key stage in its growth and requires a strong, professional manager to take on change.

Sao Paulo, Brazil — c £25,000 + Car + expat benefits

An exceptional opportunity to be at the start of a new subsidiary, this role has full responsibility for accounting and administration as well as deputising for the General Manager. A hands on approach is essential as is a high degree of self motivation and the ability to create workable structures and systems.

Fluency in an Hispanic language and a formal accounting qualification are essential for both roles.

Please send a full CV to **Pippa Curtis** at **Douglas Llambias Associates Ltd., 410 Strand, London WC2R 0NS** or Fax on 071 379 4820/Tel 071 836 9501 quoting reference FT94131.

DOUGLAS LLAMBIAS
RECRUITMENT CONSULTANTS

FINANCIAL DIRECTOR
(designate)

£30,000 Kennington

Paperlink is a highly innovative and creative publisher of greeting cards with a well established reputation and a sustained high level of growth. We are a young team working in an industrious but informal atmosphere and need to recruit someone who will have a significant role in leading the company forward.

Reporting to the Managing Director your role will encompass all aspects of financial management together with responsibility for the smooth running of administrative systems. This is a key appointment for someone who wishes to play a creative part in the future development of a profitable company looking for further growth and expansion.

Probably in your 30's you will be a qualified accountant, ideally with some commercial experience, computer literate and looking for a unique challenge to develop your already successful career. You will need to possess a proactive and independent approach coupled with the ability to adapt to varying demands within the company. Enthusiasm and commitment to the long term are essential.

To apply please write enclosing a full c.v. to: Louise Tighe, Managing Director, Paperlink Limited, 346-8 Kennington Road, London SE11 4LD.

GROUP FINANCIAL CONTROLLER

**SALARY £30K - £35K CAR,
PENSION, BONUS POTENTIAL**

A commercially minded, qualified, ambitious individual is sought for this role in support of the Group Finance Director in a South Yorkshire based manufacturing and distribution company.

A wide range of skills and experience is required, to include financial and cash management, statutory accounting, budgetary control and standard costing. These skills should be combined with a high degree of computer literacy and systems knowledge.

The candidate must be a good team member, proactive, highly analytical and challenging yet persuasive in person and writing.

Some experience of international subsidiaries and consolidation would be beneficial as would be the ability to speak French.

Preferred age is 30-35.

Write to Box B1966, Financial Times, One Southwark Bridge, London SE1 9HL

Financial Director
£50,000+ Southern England

The company manufactures equipment to a high specification governed by long-term contracts. Part of a major international group, it sells in the UK and worldwide Turnover is in the region of £200 million.

The Financial Director will report to the Managing Director and the Group Financial Director. Heading a department of 60, you will implement effective controls over the respective projects and divisions.

Probably in your thirties, you are currently Financial Director of a medium-sized company. Your should include experience with a major audit firm and controllership of a similar, project-oriented manufacturing company.

Remuneration will be negotiable according to experience and potential.

Replies will be forwarded to the executive search consultants handling this recruitment.

Please write to: Robert Beric, Primary Contact, 33 St John Street, London EC1M 4AA.

INFLUENCING OUR SUCCESS

Financial expertise is one of the keys to the continued success of Boots The Chemists as a progressive and profitable organisation and with your capability and determination you could play an influential role in our future development.

An experienced accounting professional, you will bring a proactive and innovative style to our recently established Operational Review Department, providing an effective lead in the management of business risk and adding value to our business performance.

Operational Review

MANAGER (Ref. FT1)

£30 - £35K + Car + Benefits. **Nottingham**

Leading a team within Operational Review you will influence the development of Company wide Financial Control policies and procedures providing clear standards of performance for line management. You will develop and *implement a comprehensive control review programme* throughout the company and in particular you will identify and assess potential risk situations, recommend improvements, establish action plans and ensure the provision of appropriate training to management in the principles of maintaining sound control systems.

A graduate accountant with a minimum of five years post qualification experience, you will have a thorough knowledge of *audit techniques and a sound understanding of the dynamics of a* successful business. A capable organiser, motivator and problem solver, you will have the personality and ability to influence at all levels in this high profile management service role.

SENIOR ANALYST (Ref. FT2)

£26 - £29k + Car + Benefits. **Nottingham**

Supporting the Manager your role will be to plan and execute assignments, examining and evaluating the adequacy and effectiveness of the controls over the Company's business processes. *You will be required to provide advice and guidance* throughout the organisation in respect of risk minimisation and will represent the department on a variety of working groups. You will further participate in the planning and delivery of training programmes to management in enhancing their awareness of control issues.

A graduate accountant you will have a minimum of three years post qualification experience with previous exposure to the audit of large information systems or alternatively *influencing management in the creation of efficient and* effective operational practices in a change orientated environment. Your expertise will include well-developed communication, organisational and analytical skills, with the ability to work both on your own initiative and as a team member.

If you think you have the expertise and drive to add value to our success and would like to enjoy the rewards and benefits of working with a premier UK Company, then please send a full CV, quoting a daytime telephone number and the appropriate reference number, to Paul MacIldowie ACA at MacIldowie Davids, 10 Regent Street, Nottingham NG1 5BQ Fax 0602 859074 or telephone him on 0602 470200. Closing date: 28 January 1994.

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Boots

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Price Waterhouse
EXECUTIVE SEARCH & SELECTION

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c.£90,000 plus substantial benefits

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- Management and minimisation of both the effective group rate of tax, plus tax payable in all territories
- Most critically, providing senior management with tax planning advice of the highest quality on all major transactions

With a background from any sector, whether commerce/industry or the professions, our bottom line as regards your experience is delivery on a large scale, from conception and planning through to implementation. Reporting to the Group Finance Director, with strong links to all our senior management, the role requires a tax 'heavyweight' with real credibility. Either you will have been there and done it all before, or you will have the potential, confidence and reputation amongst peers to equip you for this jump – whatever your age.

Our style is open, questioning, receptive to new ideas, change oriented, dynamic and into team building. Yours needs to be compatible and we expect you to be an effective communicator, sharp-witted, pro-active, sales oriented, forward and lateral thinking, and a contributor. Above all, you must be energetic, enthusiastic, a team player and a finisher.

We expect a lot – but we are offering a lot in return. This is an opportunity to head up the tax function for a major, international corporation, gain *full access to our senior* management, and put your own stamp on how we re-shape ourselves over the coming years. We are offering a rare chance to really apply your intellect, and to put into practice some of the ideas you have been evolving in your current role.

We take tax very seriously – hence a substantial and flexible package. If our profile has caught your interest, take a few minutes to call our advising consultant, Hamish Davidson, on a totally confidential and informal basis: at this level, these discussions have to be. Talk him through your profile and background, and maybe we can take this further. Alternatively, write to him, quoting reference H/1419/FT at:

Executive Search & Selection, Price Waterhouse,
Milton Gate, 1 Moor Lane, London EC2Y 9PB.
Tel: 071 939 6312. Fax: 071 638 1358.

FINANCE DIRECTOR

Chiltern Line

c£35,000
+ Free Travel
+ Benefits

Aylesbury

Our Client is a management unit of the British Railways Board, which will become an autonomous operating division in April 1994, with entry into the private sector anticipated within 2-4 years.

The new company, Chiltern Line, is currently assembling a management team capable of steering the business through a period of structural and cultural change.

A key appointment is that of Finance Director, with responsibility for:

- Monitoring and developing accounting/financial systems
- Contributing to business planning, budgeting and forecasting.
- *Analysing financial implications of commercial strategies*
- Supporting the Managing Director as part of the 5-strong management team

This position represents an outstanding short **and** long-term challenge for a qualified Accountant with a minimum of 4 years' post qualification experience. Candidates must demonstrate an acute appreciation of customer service issues, strong communication skills and the ability to instigate change.

Interested individuals should write, enclosing C.V. to Gerard Davies at Robert Half, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1EH. Telephone: 0753 857777 24hrs Fax. 0753 841676

ROBERT HALF
THE HUMAN FACTOR

Outstanding ACA

International Property Group

London

c.£40,000 + Car + Excellent Benefits

Our client is an international property investment, management and development group recognised for the exceptional quality of its real estate assets, business skills and integrity. It is uniquely placed amongst property organisations and continues to improve its portfolio both in the UK and internationally.

There now exists a requirement to augment the management team with the appointment of a high calibre ACA. Reporting to the Group Financial Controller, the role offers exceptionally high level exposure at a very early stage with strong communication lines to divisional finance staff, the Group Treasurer and Finance Director. Key elements of the role will include the production of group management and financial reports and analysis and interpretation of the results for senior management. There will be full involvement in all areas of management and financial accounting, budgeting, forecasting and the strategic planning process. As deputy for both the Group Financial Controller and Group Treasurer, the successful applicant will also have exposure to special projects such as fund-raising, acquisitions and the examination of 'what if' scenarios. This is an excellent broadly based group role offering real breadth of experience at a senior level.

The opportunity will appeal to a high calibre ACA with a proven track record in a 'Big 6' public practice firm. Applicants may already have made an initial move into commerce. Involvement in special work in the profession (investigations, acquisitions etc) will be of considerable relevance. Of equal importance is the ability to liaise with professionals at the most senior levels and the self-confidence to work unsupervised on complex projects. All applicants should have excellent organisational and inter-personal skills, be spreadsheet literate and have a strong technical background. Prior property company experience whilst useful is not essential.

The rewards will include a company car, excellent benefits package and the opportunity to develop a stimulating career within this high profile group.

For further information in strict confidence, please forward a brief resumé to either Robert Walker or David Craig at our London office, quoting reference: RW 1369.

WALKER HAMILL
Executive Selection

29-30 Kingly Street
London W1R 5LB

Tel: 071 287 6285
Fax: 071 287 6270

Coopers & Lybrand Executive Resourcing

müller

Finance Manager

NORTH SHROPSHIRE **c £40,000 + CAR**

Müller has earned an enviable reputation for the quality and innovation of its unique market leading dairy products such as Fruit Corner, Müller Light and Müllerice. Exceptional growth in the UK has continued and the new production plant at Market Drayton is now fully operational with the capacity to satisfy the increasing demand for Müller products. This is an exceptional opportunity for a high calibre professional to play a key role in the development of this already successful organisation.

As Finance Manager and number two to the Finance Director, you will assume responsibility for the on-going development of sound accounting practices across the UK operations. Particular emphasis will be given to the areas of financial planning, tax compliance and cash management. In addition, you will be encouraged to make a broader and more commercial contribution to the management and development of emerging parts of the business.

You must be a fluent German speaking accountant with a strong background in financial accounting and auditing, including tax compliance. Experienced in leading and developing accounts staff, you should also demonstrate a practical 'hands-on' approach to problem solving. With sound commercial awareness you should possess the appropriate interpersonal skills to manage and withstand the rigours of a business enjoying dynamic growth.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AS1007 on both envelope and letter.

The most important new post for years...

Financial Controller

To £40,000 + Car **MOLSON BREWERIES OF CANADA**

Molson Breweries is the leading brewer in Canada and a fast growing UK supplier of premium lagers such as the highly successful Molson Special Dry. There are ambitious growth plans which will provide considerable scope and opportunity.

This exciting post is based in central London and reports to the General Manager. The focus is on maximising bottom line performance through providing strong commercial assessment of business activities and plans. Key responsibilities include preparing business plans, producing management information, developing systems and ensuring tight financial control.

The position is suited to commercially astute candidates seeking to make a major contribution to the growth of a company with significant prospects. They will be qualified accountants in their late 20s to early 30s. They must have managed the finance function of a profit centre and possess strong management accounting skills gained in a competitive blue chip FMCG company. With a balanced style and the ability to work at both *tactical and strategic levels, they must be pragmatic* hands-on achievers with energy, enthusiasm and the commercial vision to work as part of a small management team.

If you have the requisite drive and experience, please reply in confidence by quoting Ref. 608 and sending your Resumé to Michael Fahey at Thornton Fahey, 1 Manson Place, London SW7 5LT. Tel. 071 584 6028, Fax. 071 823 7688.

THORNTON FAHEY
SEARCH AND SELECTION

Finance Director & Company Secretary

London **up to £50,000 + Benefits**

Our client is a well established rural property company with assets of around £30 million. They are seeking an experienced individual male or female to combine the roles of Finance Director and Company Secretary.

Candidates must have appropriate experience in a PLC and should preferably have an accountancy qualification. Age is not a restriction. The position may suit a mature professional seeking a long term commitment.

Please write with a comprehensive CV, quoting reference FT195, to Mel Smaje, 186 City Road, London EC1V 2NU.

ROBSON RHODES
Executive Resourcing

EUROPEAN FINANCE DIRECTOR/CEO

* Chartered Accountant FCA (45)
* Significant European M & A experience
* Excellent French, Spanish, German
* Success orientated; leadership qualities
* Seeks challenging/rewarding role with international group
* London based - free to travel/relocation possible

Write to Box B1953, Financial Times, One Southwark Bridge, London SE1 9HL

HIGH WYCOMBE

FINANCIAL DIRECTOR

To £40K +
(FX) Car + Bens.

A commercial 'hands-on' F.D. is sought by this expanding autonomous subsidiary of a highly acquisitive fully listed plc.

Candidates must be ACA qualified aged 35 or under, possess a good eye for detail and a decision maker. Prospects within the group are excellent.

Contact Nick Stephens, Nicholas Andrews, 126 Colmore Row, Birmingham B3 3AP.

Nicholas Andrews

PROJECT ACCOUNTANTS

We have a number of positions available for qualified or part qualified *accountants with experience of major* international Oil and Gas Projects. We have an urgent requirement for the following people.

Senior Qualified Auditors/Internal Control, London area based.

Qualified Accountants for Russia based. Must be bi-lingual. Accountants experience/exposure and computer knowledge. Knowledge of JDEdwards system should be a bonus.

For the Russian positions there is a strong preference for Russian speakers. Please send your CV, stating availability & salary required as soon as possible.

RUST RESOURCES LTD
Keeley House, Keeley Road, Croydon, Surrey CR0 1TE
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